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Wall Street Stabilizes, **But Trend** Still in Doubt

Despite Dow's Rebound, Investors Are Cautious On Future of Bull Run

> By Lawrence Malkin mal Herold Tribune

NEW YORK - The stock market regained its composure Monday, but there were as many opinions as investors on whether the uptick in U.S. interest rates would eventually pull money out of stocks or just cause a blip in the indexes.

Volatility was the only sure thing.

The Dow Jones industrial average moved sideways during the morning but rallied to close up 34.90 points, at 3,906.32. The Dow outperformed the broader market because its bluechip issues represented a haven in stormy weather. Positive news for Aluminum Company of America and International Business Machines Corp., two components of the Dow, helped draw funds into those issues

But investors were edgy, with the American

European stock markets posted moderate de-clines, but prices fell steeply on many Asian bourses. Pages 11 and 13:

Stock Exchange index holding slightly lower and the Nasdaq over-the-counter index near

Bond prices also slipped, raising yields on 30-year Treasury bonds to 6,39 percent from 6,35 percent on Friday, with investors reckoning that uncertainty guaranteed a defensive interest rate rise of another quarter percentage point in the next month or so.

There was no panic, but the big question was whether this meant the flood of cash that has floated the market up almost 1,000 points in 18 months was finally drying up. And if it was,

where would the money go next?
Although long expected, the announcement Friday by the Federal Reserve Board that it was raising interest rates for the first time in five years signaled that financial markets had moved into a new world of market psychology, with money tighter and rates rising gradually as

the economy strengthened.

That knocked the Dow down 96 points, or 2.4 percent, before the weekend and left market analysts wondering what the change would do tucking the boom by taking their money out of low-yielding money funds and putting it into

stocks, mutual funds, and - a novelty for American investors — foreign stocks. One imponderable is whether this flow abroad will continue. This seems doubtful if the dollar continues rising and the U.S. market continues to drop, staking investor confidence in global stocks, said Vivian Lewis, editor of

Global Investing, a newsletter specializing in international stocks. "Anybody who gets out of Wall Street believing that the end is nigh is certainly not going to
go into places like Malaysia," she said, "Investors will look for safety. As for Europe, right
now there is a palpable, movement into the

dollar, so strong that you can feel it."
Hugh Johnson, of First Albany Securities, predicted the U.S. market would drift down because average dividend yields on stocks in the Standard & Poor's 500 index are only 2.6 per-

See MARKET, Page 10



A Bosnian Muslim digging a grave Monday for one of the victims of the mortar attack.

By Gwen Ifill

Congress a \$1.5 trillion budget proposal that reflected the government's fiscal constraints, combining a range of spending

cuts with modest new initiatives to promote technology, fight

Democratic president who came to office with grand ideas but

with little money to pay for them.

White House officials said the new budget, which would

reduce appropriations for seven of the 14 cabinet-level depart-

ments and reduce the projected deficit to \$176 billion from

Military spending, however, will continue to rise.

"If the Congress adopts it, it will keep the deficit coming down, it will keep interest rates down, it will send a clear signal

to the Fed and to the rest of the world that we mean business

and that the investment climate will continue," Mr. Clinton

\$302 billion, would set the nation on the correct path.

crime and expand educational opportunity.

Allies Want U.S. Action But What, Where, How?

Clinton Administration Is Shadowed By Johnson's Fatal Move in Vietnam

By Craig R. Whitney
New York Times Service

BONN - The United States and its NATO allies are approaching another turning point in the history of their failure, and that of the United Nations, to halt the atrocities on Europe's eastern doorstep.

On Monday, in outraged reaction to the deaths of 68 people in Sarajevo over the week-end in a mortar attack that may or may not have been launched by Serbs besieging the city, the 12 countries of the European Union met in Brussels and threatened "all the means necessary, including the use of air power," unless the

siege ended.

But they remained divided about how and when to actually carry out the threat, just as they were last May when the United States came to them with a proposal to use air power to try to bring about a negotiated settlement. Now as then, the Europeans will not act unless the United States leads them into action, and, now as then, there are many good reasons why

it may not. For nearly two years, the European allies have tried but failed to bring about a negotiated settlement to the war in Bosnia-Herzegovina. The allies have also consistently rejected the idea that a settlement could be imposed by

outside military force.
The Europeans rebuffed the Clinton administration last spring when it proposed lifting the arms embargo on all of former Yugoslavia to give the Bosnian Muslims a chance to arm themselves in self-defense, and bombing the Serbs' artillery positions and supply lines unless

they agreed to peace.
Since then, the United States has persuaded the NATO allies to threaten the Serbs with bombing if they did not stop their attacks, but the Europeans have been reluctant to carry out the threat, with the British the most reluctant of all because of the possibility of retaliation against their troops on the ground with the UN

So the North Atlantic Treaty Organization

said in a speech to a business group in Houston. "These lower interest rates, if they can be maintained, will save over \$20 largest culprit in the entitlement programs right now in terms

agreed last August not to drop any bombs unless the UN secretary-general, Butros Butros

Ghali asked it to. Will he? Diplomats and officials in Europe are not clear about this, nor even about whether air strikes would do any good. What they are clear about is that the alliance will do nothing in Bosnia unless the United States leads the way, and that whatever Mr. Clinton decides will determine the future credibility of his administration and of the alliance as well.

Frustration over past failures has created a climate of extreme caution and even distrust. At the European Union foreign ministers meet-

NEWS ANALYSIS

ing in Brussels on Monday, the British were still hesitant, and some officials here suspect that the French were looking for a way to make the United States look responsible if they decided to withdraw their forces from Bosnia.

Chancellor Helmut Kohl, whose country has no troops there and no plans to send any, concluded after the NATO summit in Brussels last month that the countries with troops in Bosnia felt that the mission was becoming

"There is a tendency by some countries," the German foreign minister, Klaus Kinkel, said last week, "to wonder whether it makes sense to keep peacekeeping troops there if there is no willingness to make peace, and I admit that I can understand them."

European and American military and political officials in Bonn agree that the only way to impose peace in Bosnia now would be by sending in a large, U.S.-led international force like the one that expelled Iraq from Kuwait three

The United States is not ready, NATO is not prepared to send armies into Yugoslavia to enforce an agreement against the will of the peoples there." Secretary of Defense William J. Perry said at a meeting of European defense

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Christopher **Sees Decision** On Sarajevo Within Days

Blaming Serbs in Attack, He Says NATO Options Go Beyond UN Scenario

Compiled by Our Staff From Dispatches WASHINGTON - Secretary of State Warren M. Christopher accused Bosnian Serbs on Monday of a pattern of shelling against civil-ians and said that NATO would decide on a response within days.

Speaking at a State Department press conference, Mr. Christopher reaffirmed that a "whole range of options." including military retaliation for the mortar attack on the market in the Old Town of Sarajevo, were under consideration by the Western alliance.

Mr. Christopher said the possibilities for retaliation go beyond those posed by the UN secretary-general, Butros Butros Ghali, who asked NATO on Sunday to approve punitive air strikes following the attack. Sixty-eight people were killed and more than 200 wounded by

the mortar that hit the market Saturday. "We will respond to the specific, rather narrow request of Buttos Ghali, which we think is

appropriate and will support, but we will not be limited to that, "Mr. Christopher said. President Bill Clinton said in Houston that the United States supported the UN request for retaliatory air strikes.

"I have directed our representatives at NATO to support the secretary-general's request when it is discussed there in the next

couple of days," he said.

Defense Secretary William J. Perry said

Monday that the United States would propose options to NATO this week for allied action in Bosnia, possibly including air strikes.

"By Wednesday, we will be telling the world what we believe in this area." he said. "We will have a concrete set of proposals about how to deal with the problem. The issue is what strategic options can be

taken that can somehow accelerate the peace process and get it to a quick and satisfactory conclusion," he said. "To the extent any use at all of air strikes

furthers that strategic objective, then it is worth consideration. To the extent air strikes slow that down and put it off the track, we ought to reject them categorically."

Mr. Christopher did not explain what other

actions might be taken, but he said that agart from the attack Saturday — for which there was only a strong presumption of Bosnian Serb responsibility — the Serbs had carried out a series of assaults on civilians. While acknowledging that there has been no

official finding that Bosnian Serbs fired the mortar into the marketplace, he said Serbs were found responsible for the recent shelling of a food line and other attacks.

The death toll from Saturday's shelling "was not only the worst since this tragic conflict began, it is also a part of a pattern of shelling of civilian areas by Serb artillery that has contin-ued despite NATO's repeated warnings." Mr.

Christopher said. "We expect that the North Atlantic Council will decide on a course of action or an overall strategy" in a few days, he said.

Mr. Christopher's statement came as the chairman of the House Foreign Affairs Committee called for using NATO air strikes against the Serbs besieging Sarajevo, and a senior Republican senator said it was time to end the "indecisiveness of NATO."

The committee chairman. Representative Lee H. Hamilton, Democrat of Indiana, and Senator Richard G. Lugar, Republican of Indiana, agreed during a joint appearance on NBC on Monday that it was time to use air power. but they differed on how broad the military response should be.

Mr. Hamilton said air strikes were "in order See BOSNIA, Page 5

portion of the budget going to entitlement programs and Administration officials said the plan represented a reordering of the national priorities. But there is little sweeping or Military spending to contract 1 percent after inflation. Page 5. grand in the administration's budget blueprint. Financing for major policy goals, such as overhauling health care and welfare, will either be proposed later or presented, for

billion in the next five years."

accounting purposes, as separate from the budget.
Instead, Mr. Clinton and his fiscal advisers have produced a budget plan that is permeated by the bitter reality facing a

Clinton's '95 Budget Blueprint: A Tight Design

interest on the national debt has steadily risen for the last

decade. That leaves Mr. Clinton little room for maneuver. As a result, administration officials said, much of the president's proposed budget is designed to lay the groundwork for

the battles to come over the health care plan. Mr. Clinton and his aides emphasized that the decline in the projected deficit represented the first time the deficit has dropped for three consecutive years since Harry Truman was

But Leon E. Panetta, the White House budget director, said the deficit could continue to shrink only if the fastest-growing areas of the budget - including health care spending - were brought under control.

"If we want to stay on the deficit-reduction track that we're now embarked on," he said, "we've got to begin to address

Much of the shape of the proposal was determined by the deficit reduction agreement passed last year, which set targets for taxes and spending for the next few years. In addition, the

of cutting the budget, including actions they said would redi-rect money from operating subsidies for mass transit, heating aid for the poor and public housing constructions to more efficient programs that serve the same needs. Yet, the budget also contains about \$8 billion in new spending for programs ranging from Head Start and communi-ty policing to drug treatment and job training.

Administration officials were happy to emphasize the pain

The Associated Press reported from Washington: Republicans welcomed the cuts Mr. Clinton proposed. but chastised him for using some of the savings to beef up other

programs. Senator Pete Domenici of New Mexico, ranking Republican on the Senate Budget Committee, said: "They aren't really reducing the deficit because the savings don't get applied to the deficit. The savings make room for other spending.

Because of a robust economy and the deficit-cutting package, the president projects next year's shortfall at \$176.1 billion, the best showing since the \$152.5 billion gap of 1989. That is also \$126 billion less than Mr. Clinton had expected for 1995 a year ago. The government would spend \$1.518 trillion

See BUDGET, Page 5

Listening In on a Very Deep U.S. Secret

Special Spy Submarines Comb Ocean Floor for Military Data

By William J. Broad New York Times Service

NEW YORK - The United States has for decades operated a fleet of specially equipped submarines whose secret work is to comb deep waters for military intelligence virtually unob-tainable by any other means, experts in naval

These spy submarines are the navy's counterpart to reconnaissance satellites. They can not only examine distant objects on the ocean floor

but in some cases retrieve or manipulate them.

The naval experts said objects of interest include lost ships, submarines, planes, weapons, rockets, spacetraft and nuclear warheads, as well as functioning equipment, such as other countries' undersea cables and listening de-

A vivid example of the spying technique was recently given to Congress by a former senior navy official who disclosed an early mission of one of these submarines, the Halibut, to examine a sunken Sovier submarine in the Pacific in

The naval experts said the Hahbut was the first in a series of these submarines, which constitute a new class of U.S. submarine made to lower gear-laden cables for deep reconnaissance, recovery and manipulation. Typically, the experts said, aged attack submarines, which are primarily used to hunt missile-carrying subs of other nations, are converted for the role, with

three or four operating at any one time. The method, highly classified for more than a quarter of a century, is important, the experts said, because it is still used by the United States and perhaps by other countries, such as Russia. The disclosure of its existence, they said, may have repercussions for military budgets and international diplomacy.

In great secrecy, the submerged subs can drop miles of electronic cables to the ocean floor and use them to run complex gear for deep reconnaissance and recovery. Most submarines are easily crushed by pressure if they go too deep, so the long cables extend the navy's operational depth into the abyss. Unlike surface ships, the submarines are

stealthy, since they cannot be photographed by spy satellites and, when stationary and silently deploying their deep-sea gear, are nearly invisi-ble to acoustic detection.

The first of these subs performed a reconnaissance feat that long preceded the widely publicized and much-disputed case of the Glomar Explorer, the 618-foot (189-meter) ship built for the CIA to raise a Soviet submarine that in 1968 sank in Pacific waters more than three miles (nearly five kilometers) deep.

Among the prizes presumably carried by the sub were nuclear arms and gear for sending and receiving coded communications. The Explorer's 1974 recovery effort, which cost more than half a billion dollars, was only partly successful. Six years earlier, the nuclear-powered Halibut used the deep-spying technique to explore the site shortly after the Soviet sub had sunk. John P. Craven, an engineer who helped

organize the operation while he was the director

of the navy's Deep Submergence Systems Pro-See SPY, Page 4



Viichael Jordan, the retired NBA star, after a workout Monday in Chicago. He has signed with the White Sox Class AAA affiliate in Nashville. Page 17.

Kazakhs Anxious Over Russia Aid

Kiosk

ALMA-ATA, Kazakhstan -- The leader of Kazakhstan said Monday that the United States and the West were encouraging Russian imperial ambitions by providing aid to Moscow while neglecting the other former Soviet republics.

President Nursultan A. Nazarbayev said that, because of the aid, "Russia thinks it can do anything it wants with us." The West should "emphasize that aid will be given only if Russia follows a democratic path," he said, adding, "You should stick to this in practice."

Britain's top financial official called Europe's monetary-union plan "unrealistic." Page 9.

Business/Finance

Book Review

Hope Is Fading For Inspections In North Korea

By R. Jeffrey Smith Washington Past Service

VIENNA - As North Korea's decision to spurn nuclear inspections marks a one-year anniversary this month, the time for negotiating with the hard-line Communist state by most accounts has nearly run out.

Officials in Washington desperately have sought to keep the prospect of a diplomatic solution to the inspection dispute alive, even to the point of seeking private assurances from the International Atomic Energy Agency last December that the matter was not ready to be

referred to the UN Security Council. But the Vienna-based inspectors and senior staff of the atomic agency, who have tried repeatedly and unsuccessfully to get North Korea's compliance with a 1992 inspection pledge, said in interviews here that they had exhausted their patience for niggling with the country and would be satisfied if the agency's board of governors handed the matter off to the United

Several senior U.S. officials, including a fervent supporter of the yearlong diplomatic effort, said last week that they agreed that North Korea must accept inspections of all of its declared nuclear facilities no later than Feb. 21-22, when the atomic agency's board is scheduled to discuss calling for Security Council

That stance represents a reversal of the Clinton administration's long-standing desire to put off a direct confrontation with the Communist nation by buying time for more diplomatic dialogue aimed at opening up North Korea's nuclear facilities to international inspection. The administration's aim has been to avoid

See KOREA. Page 5

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And the second of the second second second second

Gaza's Graffiti Artists Turn Less Anti and More Pro By David Hoffman

GAZA CITY, Israeli-Occupied Gaza Strip - With delicate brush strokes, Maysara Baroud gave life to the illustration of a snake wrapping around an olive tree in pursuit of an eagle.

What was musual about Mr. Baroud's painting was not the familiar symbols of Palestinian nationalism, including the checkered kalfiyeh scari on the wings of the eagle and the minarets of Jerusalem in the distance. What made this painting stand out was its location.

Mr. Barroud's gallery is the sandy streets of the Israeli-occupied Gaza Strip, his canvas the side of a friend's cinder-block house. His admirers are the neighborhood youths who gather at his feet. Mr. Baroud, 18, is among a new genre of Palestiman street

painters who have emerged since the peace accord was signed between Israel and the Palestine Liberation Organization on Sept. 13. Suddenly, the walls of Gaza are blooming with caricatures and colorful murals.

More significant, the tone of their work is becoming some-what less antagonistic toward Israel and more celebratory. There are still illustrations of Kalashnikovs and knives, but the walls are now filling with slogans extolling Palestinian leaders

Although Mr. Baroud portrayed Israel as a snake in his last painting, he said that as soon as the Israeli soldiers begin pulling out of Gaza, "I will draw a picture for kids to tell them the era of stones is over. The walls of Gaza are the Palestinians' version of a news ticker tape. Gaza has no local daily newspaper, and the Arabic

papers from Jerusalem that circulate here are censored by Israel. So the walls are a media outlet - what some Palestinians call a "newspaper without censorship." Ossama Ali Issa, a tailor by trade and aspiring artist by hobby, was gazing out the window of a Gaza taxi recently as the endless, flowery graffiti whizzed by. On one wall, the freshly painted word "Palestine" in Arabic turned into a boat,

with an automatic rifle as the mast.

"Anybody can do that," Mr. Ali Issa, 28, said with a grimace. "Anyone can write graffiti, even with spelling mistakes. But painting, only the artist can do it. And a good picture, like a caricature, needs no further comment. The art also reflects volatile public opinion. The Palestin-

ians' mood soared after the peace agreement but has since plummeted as Israel's withdrawal has been delayed. Grand iributes to the PLO chairman, Yasser Arafat, have been defaced in some neighborhoods. What is surprising about the street artists is that most are not

young firebrands, but dedicated artists, not the type to be slipping out in the night in masks, with cans of spray paint. Fayez A. Sirsawi, director of an art program at the Gaza YMCA, said the political struggle often overwhelmed artists, especially the young. Before and during the intifuda, he said. "art was provocative and fulfilled political ideas." He added: "But after the peace agreement, you could feel the change. We looked at the walls, and we found they were more optimistic

Outfitting an Army? East Germans Are Deep in Surplus

By Rick Atkinson

FURSTENWALDE, Germany — They come in groups, and they come alone. They come from farms and villages in Eastern Germany, or from Hamburg and Munich and other big cities in the West. They come by the thousands to a drafty warehouse in the middle of nowhere for what may be the world's biggest cash-and-carry rummage

For sale: One army, slightly used. Outside this rural town, 32 kilometers (20 miles) east of Berlin, the final dismemberment of the defunct East German Army has begun with a huge clearance sale.

Here, the German government is amassing the more prosaic items once needed to keep a half-million troops in fighting trim: binoculars and buckets, tarpaulins and tire pumps, shovels and signal flags. Every-

"If we determine that the prices are too

By Tom Buerkle

uonal Herald Tribune

Washington, Tokyo and Geneva to trator.

BRUSSELS - For Sir Leon

Brittan, the European trade chief, a

push for lower tariffs, these days

Sir Leon is making the rounds of European capitals to press his can-

didacy to succeed Jacques Delors

as president of the European Com-

With visits to The Hague, Rome and Madrid in recent weeks, Sir

Leon has sought to capitalize on

the accolades he won for pulling off

a trade deal that satisfied free-mar-

keteers in Britain and Germany

while still giving France conces-

lines appears to be the best way of

taking on the perceived front-run-

vigorous fights against state aid to

Europe's competition commission-

week, he boasted to the Spanish

sheds some light on the secretive

process of picking a president of the European Commission, the Eu-

ropean Union's executive agency. The decision normally is taken behind closed doors by heads of government, who are expected to

meeting on the Greek island of

largely bereft of direction as Mr.

Delors approaches the end of his

10-year reign this December and

Visiting **

New York City?

Gramercy

Park Hotel

Distinguished 509 room hotel overlooking Gramercy Park.

is, will Paris back him?"

ish government."

Corfu in June.

pare to depart.

ner for the post, Prime Minister official said.

Ruud Lubbers of the Netherlands.

As the in

lense of free trade last year and his mouth shut."

"As he's a challenger, he's making a real campaign," said a Enropean Union official in Brussels.

That is his chance. The question about local and parliamentary elections in Moreh and Most than it.

Sir Leon has been trying to mod- European affairs. In any case, he

erate his image as an economic ul- added, "Maybe the best campaign

traliberal, earned through his de- at this moment is to keep your

industry in his previous post as litical right, however, and support-

Prior to his visit to Madrid last tive Party could ever put forward.

was supporting his candidacy, "Ev- said his trips were part of an effort

erybody knows that my views to wrap up details of the Uruguay

The unusual public campaign extended beyond trade, including

time for the commission, which is will encompass ideas he has spelled

most of his 16 commissioners pre- more-independent interest-rate

After the fast-paced innovations still supporting the eventual goal of

trade area.

aren't the same as those of the Brit-Round trade deal.

sions on agriculture and movies. Keeping his name in the head-

President Brittan?

Tries the Hard Sell

Europe Trade Chief

hectic travel pace didn't stop with hind the Treaty on European December's world trade agree- Union, many EU officials believe

But rather than shuttling to initiator and more of an adminis-

the commiss

tor for the company supervising the sale for zig. is to begin operations in March. Bonn. "But right now we're selling every
As customers laden with booty

On a recent day, 1,500 buyers swept through the warehouse spending 108,000 Deutsche marks (\$61,000). They paid \$1.40 each for 5-liter (1.3-gallon) jerricans; \$3 for big glass jugs suitable for fermenting nade wine, and \$11 for leather map cases, complete with colored pencils, stopwatch and straight edge.

Perhaps the most popular items are Zeiss binoculars at \$85 a pair. More than 3,000 have been sold since the warehouse opened Dec. 16. Some profess interest in birdwatching. Reimund Schmidt, a retired East Berliner, joked that his pair would be handy for keeping an eye on the neighbors.

So much matériel has been found in about 80 East German depots that Mr. Dirfard estimates it could take three years

of the past decade, when the Delors commission issued hundreds of

laws to establish Europe's single

market and was a driving force be-

"We have to turn into an imple mentation agency," said an official close to Sir Leon.

Whatever the commission's role,

candidate to take charge of it.

Mr. Lubbers remains the most-like-

EU officials say. As a Christian

Democrat from a small state that

has never held the presidency, he

would be an ideal successor to Mr. Delors, a French Socialist.

the past 11 years, he is one of the

senior members of the exclusive

group that will make the final deci-

"He's from the club," the EU

As the inside candidate, Mr.

tions in March and May than in

Sir Leon also hails from the po-

ers say he is the most pro-European

candidate that Britain's Conserva-

Officially, Sir Leon also denies

But Sir Leon's travel agenda has

sympathetic comments about Ita-

ly's efforts to privatize its debt-

ridden state industries and open its market to imports of Japanese automobiles, and support for Spain's demands for a more-active

EU policy toward the countries of

policies by member states while

a single currency. In other words, no federal United States of Europe

"Leon has to establish himself

trade talks should be repaid with

the presidency. His supporters are

confident, pointing out that France has clashed often with the Nether-

Vietnam Punishes Nostalgist

Agence France-Presse

HO CHI MINH CTTY - A 52-

year-old man who unfurled the flag

of the former South Vietnam dur-ing Ho Chi Minh City's first inter-

national marathon in December

1992 has been imprisoned for 15

years, an official newspaper report-

ed Monday.

lands over its free-trade policy.

Moreover, as prime minister for

ion should be less of an

As customers laden with booty exit through one door in the Fürstenwalde warehouse, forklifts haul in new crates of 26,346 rocket-propelled grenades, 549 T-72: animated by sentimental impulses; most, pickaxes and tire chains through another.

Not to be found in the inventory here are the more lethal trappings of East German military power. Since shortly after German reunification in 1990, the Bonn governbishing the immense armory inherited from the East. That includes nearly 600 modern tanks, 295,000 tons of munitions, more than a million pistols and 4,500 tons of rocket propeliant.

Less than 20 percent of the arsenal is considered usable by the German military or other federal agencies. That includes 24 MiG-29 fighters and nearly 900 armored personnel carriers.

But, as Mr. Dirfard noted, Bonn's

high, it's possible that we'll lower them to sell it all. Two more warehouses will soldiers, and now it's going down to been donated to charitable organizations later," said Peter Dirfard, operations directly and a fourth, near Leip-around 360,000, so they have a great sur-or communities in Eastern Germany. plus of their own."

Consequently, the great majority of East do not get much more exotic than pickaxes German materiel is excess, including and barrels of hand soap. Few buyers seem tanks and 251 MiG-21s.

Some equipment has been demilitarized and sold abroad, including many of the East German Navy's 192 ships. Scores of MiGs and hundreds of armored vehicles ment has been selling, scrapping or refur- and artillery tubes have been cut into

> German officials stress that they are taking pains to prevent surplus weapons from falling into the wrong hands.

In addition to weapons, the government is disposing of 85,000 East German Army vehicles, including 52,000 trucks. At least system under which it served. A single 9,000 vehicles have been sent to Russia and other republics of the former Soviet Union; thousands of others are on public cils and stopwatch, is a new slide rule, a sale at huge lots. Field kitchens, sanitation quaint artifact abandoned by American

like the hunter from Brandenburg buying a set of infrared lights "to keep my dogs warm," are looking for bargains.

volume of stuff suggests how much of East Germany's wealth went into outfitting its army. Here, for example, an enterprising mechanic can find not a few odds and ends for his tool chest but thousands upon thousands of wrenches.

"This was an army which was very well

equipped," said Mr. Dirfard.
This also was an army that in subtle ways was as anachronistic as the political example speaks volumes. Included in each handsome map case, amid the colored penpreunification army "had about 490,000 equipment and power generators have officers 20 years ago in favor of calculators.

Ukraine to Join New NATO Program KIEV (NYT) - Ukraine announced over the weekend that it would

join NATO's new program for military cooperation with East European Foreign Minister Anatoli Zlenko is to sign an agreement with NATO at its headquarters in Brussels on Tuesday, making Ukraine the first former

Soviet republic apart from the Baltic states to join the West in military operation, the news agency Interfax-Ukraine reported Saturday.

The Western military alliance has promoted the cooperation program. known as the Partnership for Peace, as a step toward full NATO membership for former Warsaw Pact countries. The program includes joint military and training exercises with NATO. Ukraine has agreed to dismantle its arsenal of former Soviet nuclear weapons.

Iran Holds 20 in Assassination Plot

TEHRAN (Reuters) - Iran said Monday that it had arrested more than 20 "morally corrupt" suspects in a plot to assassinate President Hashemi Rafsanjani last week, including some linked to leftist groups. Intelligence Minister Ali Fallahiyan, who is in charge of internal security, told the newspaper Hamshahii that Kourosh Nikakhtar, a man held after shots were fired when Mr. Rafsanjani was making a speech last

Tuesday, was a member of a "clandestine terrorist group."

"More than 20 of the central core of this network who were somehow involved in the plot," the minister said, "had knowledge of the assassingtion plan or had cooperated have been arrested." He added that those arrested were "morally corrupt, drank alcohol and were drug addicts."

Opposition Figure to Lead Costa Rica

SAN JOSE, Costa Rica (AP) - José Maria Figueres, the opposition candidate and son of a revered political patriarch, won Costa Rica's presidential election Sunday, promising to slow free-market reforms and

presidential election Sunday, promising to slow free-market reforms and to previde programs for the poor.

With more than two-thirds of the vote counted, Mr. Figueres had 632,075 votes, and the economist Miguel Angel Rodriguez had 601,885 votes, the Supreme Election Tribinal said.

During the acrimonious campaign, Mr. Figueres, son of a three-time president, José (Pepe) Figueres Ferrer, promised to provide welfare programs for thousands of poor Costa Ricans. At 39, he will be the country's youngest president.

Peru Guerrillas Set Off Blast in Lima

LIMA (Reuters) — Maoist guerrillas exploded a car bomb at Peru's air force headquarters in central Lima on Monday, killing two people, wounding several others and damaging a building, authorities and

Shining Path guerrillas drove the car with an undetermined amount of explosives into an empty three-floor building at the complex that was to be the future home of the air force museum, police and air force officials

A passing taxi driver and a passenger were killed when the bomb exploded, the police said. Two others were seriously wounded, and an undetermined number suffered light injuries in the explosion, they added.

Former Italian Banker Surrenders

MILAN (Reuters) - The former chairman of Italy's largest saving bank, who has been accused of corruption, surrendered on Monday to the

Roberto Mazzotta, chairman of Cassa di Rispannio delle Provincie Lombarde, turned himself in at a border post with Switzerland north of Milan. Investigators issued an arrest warrant for Mr. Mazzotta last Monday, when he was out of the country, as part of a probe into property deals by the bank's pension funds between 1985 and 1992. Carlo Polli, a deputy chairman of the bank, and two senior officials,

including the head of the bank's pension fund, were arrested a week ago.

For the Record

The International Federation of Newspaper Publishers has mamed Omar Belhouchet, the director of the Algerian daily El Watan, as the recipient of its annual press freedom prize.

Correction

Because of an editing error, quotes in a dispatch from Beijing in editions of Feb. 5-6 were mistakenly attributed to John Kamm, an American human rights advocate. Mr. Kamm did not comment on three dissidents released from Chinese prisons. Remarks about the dissidents were made by a Chinese intellectual with high land government contacts, who was not identified in the dispatch. The line national Herald Tribune

TRAVEL UPDATE

Malaysia Inaugurates Superhighway

KUALA LUMPUR (Combined Dispatches) — Malaysia on Monday

officially opened a 890-kilometer (550-mile) superhighway running the
length of Peninsular Malaysia, completed more than 15 months ahead of
schedule but at a staggering cost

schedule but at a staggering cost.

Most of the highway was already open to traffic, and officials opened the final 30-kilometer stretch from Tapah to Gopeng. It is a four-land-highway with 72 multilevel intersections and 60 tollgates. The highway, from the peninsula's northern border with Thailand to.

the causeway with Singapore in the south, cost 5.9 billion ringgit (\$2.36 billion), up from the original forecast of 3.4 billion ringgit, officials said. than a poll.

Work on the highway began in 1989.

Work on the highway began in 1989.

Most of Calcutta's transport operators stopped work on Monday to demand higher fares to offset a rise in fuel prices, crippling India's biggest, city.

(Reuters)

Authorities at the Yala, Sri Lanka, wildlife park are planning to introduce shorter visiting hours, more prohibited zones and limits on

safaris to deal with an ever-increasing tide of tourists.

Turkey will rebuild the 472-year-old bridge in the Bosnian city of Mostar that was destroyed by gunfire last year. Foreign Minister Hikmet. Cetin signed a reconstruction agreement Monday with the visitings Bosnian culture minister, Enes Drakovic.

Longshoremen stopped work at Marseille's main passenger port out.

Monday when 300 riot policemen backed by armored vehicles entered the port area to take over gates controlled by protesters. Employees of the Sud Marine construction firm, which is in receivership, have been been applied to the construction firm, which is in receivership. blockading the gates since Wednesday.

Venice and Mainland Mestre Vote Down a Bill of Divorce

VENICE — The 68-year union of Venice and Mestre, its industrial neighbor on the mainland, has withstood another test. For the

al neighbor on the mainland, has withstood another test. For the third time in 15 years, voters defeated a referendum proposing a divorce. The proposal was rejected by a 56-to-44-percent margin, in the nonbinding referendum Sunday.

Proponents said a separation would let Venice better attack its special problems, including pollution and frequent floods. The two cities were joined in 1926, when Venice had nearly 200,000 people and Mestre 20,000. Since then Venice has shrunk to 62,000 people while Mestre has more than 200,000. while Mestre has more than 200,000.

Michael Senf, left, and Andreas Wember, second from left, with their lawyers Monday after receiving long prison sentences.

German Neo-Nazis Are Imprisoned for Killing

WUPPERTAL, Germany -- Two German skinheads and a Polish-born bar owner were imprisoned Monday for kicking and burning a man to death because they thought he was

Andreas Wember, 26 was sentenced to 14 years in prison, Michael Senf, 20, received eight years in youth desention. The bar owner, Marian Jan Glensk, 32, received 10 years

hard as the presiding judge, Rolf Watty,

handed out the sentences after finding them guilty of murder and inflicting grievous bodi-

Judge Watty said Mr. Wember and Mr. Senf, encouraged by Mr. Glensk's remark that "Jews have to burn," brutally attacked Karl Hans Rohn, a Wuppertal butcher in November 1992. They had been drinking

Judge Watty said: "As long as there are Mr. Wember bowed his head, Mr. Senf ed and killed in concentration camps and gas looked troubled and Mr. Glensk swallowed chambers we must take it upon ourselves to be especially watchful against right-wing ex-

tremist developments," Defense lawvers said they would appeal. Mr. Glensk, after hearing Mr. Rohn say he was half Jewish, shouted: "Jew! You must go

to Auschwitz. Auschwitz must be opened up again. Jews have to burn. The indee said this had been an explosive

statement that triggered the attack on Mr.

Judge Watty said Mr. Robn, who was not tions that he was half Jewish to gain sympathy from Germans who felt guilty about the

Mandela's Harsh Message to Whites

North Africa.
Next month, he is due to publish a book entitled, "The Europe We JOHANNESBURG -- Nelson Mandela had watched a cow being artificially inseminated. The race also comes at a critical Need." Officials close to him say it He had cuddled some children and kicked a soccer ball for photographers. He had reveled in the intoxicating pandemonium of a star-struck black township. out in recent months to bridge the gap between Euro-skeptics and in-tegrationists, such as calling for

It was time for the candidate to meet white voters, and the conventions of this Westernstyle political campaign seemed to call for an

hour or two of gentle courtship.

The 400 white businessmen and academics who waited politely in the civic center of Potchbut more than just a glorified freeefstroom, a farm center in the Afrikaner heartland, were moderates by local standards, not hostile, but wary of the man they assume will be more in public in order to influence their next president. They hoped to be reasthe inner circle," said an aide. "He

will certainly give Lubbers a run Instead, the man introduced to them as for his money."
Ultimately, aides and EU officials say Sir Leon's chances will "Comrade President Nelson Mandela" was less a suitor than a Dutch Reformed pastor facing a congregation of sinners and brooking no exrest on whether he can persuade cuses. He upbraided them as selfish, hypocriti-Paris that his success in accommocal and racist dating their demands during the

"You are interested only in whites, not in the people of South Africa," he scolded, exasperated by their appeals to be left alone and their fears of the Communists among his friends. "Why should I even listen to you?"

He had words of reconciliation, too, but the

essential message was clear: You are not in charge here anymore. Get used to it.
With nearly 12 weeks until South Africa's
first free elections in April, and some parties

still deciding whether to join the contest, there has already been a palpable shift of power from the lame-duck white government to the black majority, and to the main custodian of its aspirations, Mr. Mandela. As he barustormed this week across three of

the negotiator and compromiser. He was re-

delirium surpassing even the one that greeted Mr. Mandela's release from prison four years South Africa's four provinces, he was no longer

establishing himself as the man who will bring dramatic changes. corrugated iron canopies, chanting and danc-Mr. Mandela's itinerary is a daily reminder Poll-takers reckon Mr. Mandela's support

of how much remains to be changed. Despite the repeal of segregation laws, South Africa remains, by force of social pressure and economic inertia, a constellation of separate The candidate's schedule listed a series of

white towns - Potchefstroom, Sasolburg, Bothaville, Kroonstad - with cozy houses, neat lawns, paved streets and supermarkets.

But usually the Mandela motorcade bypassed the comfortable white towns accus-

We have buried that National Party on which you pin your faith.'

tomed to being the center of attention and headed for the dusty, impoverished satellites where the newly enfranchised majority lives. These places — Ikageng, Zamdela, Kgot-song, Maokeng — are sometimes unmarked or mislabeled, and always out of sight of the white minority. But they are more populous than the

white towns and growing with a relentless accretion of squatter shacks.

As Mr. Mandela passed the commercial areas where all races shop, many blacks stepped forward and raised their fists, while whites

retreated into doorways and glowered.

The motorcade would roll onto a barren soccer field surrounded by rickety bleachers, and the township would erupt in a show of

ago. This, after all, is their own release.
The throngs hung from lampposts and clung to fence tops. They filled the bleachers under a blaze of sun umbrellas, and climbed to the

among whites at 1 or 2 percentage points. In the black townships it seemed that his support could be better measured with a seismograph

band played, former guerrillas arrived in cam-ouflage uniforms, and women's choirs paraded, singing: "Forward we are marching to the people's government." The message Mr. Mandela brings to black

voters is ambiguous. As the man whose party is expected to dominate the next government, he wants to dampen utopian expectations. And so he counsels real-But as a candidate who craves the largest

stand that he did not bargain away their futures in all those years of negotiations with President Frederik W. de Klerk. He intends to be the president of the neglected. Towards whites and political opponents Mr.

possible majority, he wants voters to under-

Mandela urges tolerance, often illustrating the point by appearing with white officials from nearby towns, or by reminiscing about the kindly Afrikaner jailers who, during his 27 years in prison, brought him newspapers and extra rations and called the immates "gentle-

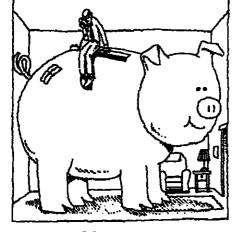
He rebukes those who have heckled Mr. de Klerk and menaced canvassers for rival parties. But he no longer talks of coexisting with Mr. de Klerk's National Party after the elections. He talks of crushing it.

We have buried that National Party on

which you pin your faith," he told the whites in Potchefstroom. "The National Party, after April 27, will be a forgotten factor in this

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INTERNATIONAL HERALD TRIBUNE, TUESDAY, FEBRUARY 8, 1994

THE AMERICAS / POLITICAL AFTERSTOCKS

POLITICAL NOTES

Balanced Budget: Social Security Threat?

WASHINGTON — Hitting one of the capital's most sensitive

WASHINGTON — Hitting one of the capital's most sensitive political serves first, opponents of the proposed constitutional amendment to require a balanced federal budget have asserted that it would lead to cuts of \$1,000 a person in Social Security benefits. The amendment's defenders disagreed, pointing out that lawmakers treat Social Security gingerly. And Senator Paul Simon, an Illinois Democrat, who is the measure's chief sponsor, said that, in fact, Social Security represents would be helped by the amendment because it would strengthen the economy and reduce the deficit.

The Senate is expected to begin debating the proposed amendment late this month. As now written, it would require the federal budget to be balanced by 1999, but Mr. Simon said he would substitute a version delaying the deadline to 2001 to make the transition easier.

transition casicr.

The amendment does not tell Congress and the president how to

the amendment does not ten congress and the presument now in cut federal spending; it only says that they must.

Families USA and other groups supportive of the elderly asserted last week that if the bindget was balanced with no tax increases and proportional cuts among all varieties of federal spending, that would lead to a \$1,081 cut in individual Social Security benefits in 1999, and about \$100 more in 2001.

When reporters challenged those assumptions, observing that in most deficit reduction packages, taxes have played a part, Ron Pollack, head of Families USA, said that except for Mr. Simon, most of the amendment's backers say they want spending cuts, not tax

Anti-Casino Sentiment Weakens in M.Y. State

ALBANY, New York — A long dormant proposal to legalize casino gambling in New York State is gaining broad support in the legislature, spurred by the wildfire spread and success of casinos along the Mississippi River, across the border in Quebec and on an

Supporters say casinos will create jobs, attract tourists and generate millions in tax revenues. But what is really driving the proposal forward this time is a weakening of the opposition: With casinos sprouting throughout the Northeast, it has become more difficult to argue that this is an abecome industry best isolated in Atlantic City

"I always opposed it in the past," said State Senator Franz S. Leichter, a Manhattan Democrat, "But the fact is, it's really here and

maybe we ought to let it happen."

The earliest a referendum on the proposal could go before voters would be November 1995.

Both sides acknowledged that pressure to pass a gambling bill was growing. Groups representing restaurant and resort owners from New York City, the Catskills, Niagara Falls, the Finger Lakes region and the Adirondacks have begun lobbying in Albany.

But what has most revived the casino movement is the spread of

Indian gaming, made possible under a 1988 federal law. In 1992, the Mashantucket Pequots opened a casino in Ledyard, Connecticat, that is earning more than \$26 million a month.

Environment Agency Endorses Smoking Ban

WASHINGTON - The Clinton administration has endorsed

legislation to ban smoking in virtually all businesses and public buildings except in specially ventilated rooms.

The Environmental Protection Agency administrator, Carol Browner, told a House hearing the dangers of smoking to nonsmokers, especially children, justified the restrictions. The tobacco Industry said the bill was extreme and impusified.

Quote/Unquote

Representative Lee H. Hamilton, Democrat of Indiana, on possible air strikes in Bosnia: "I do not think you will find support among our allies for a very broadened, extended air war. What you're now seeing discussed, and discussed very urgently, are much more limited uses of air power, which I would support. I don't think we want to broaden this war. I don't think we want to make it a U.S. war." (AP)

Earthquake Rattles California Politics

Aftermath Rearranges the Outlook For Wilson and Gubernatorial Rivals

By Jane Gross New York Times Service

LOS ANGELES — The deadly earthquake that moved mountains and toppled buildings here last month also changed the political landscape of California, shifting the terrain in a crucial race that will pit an unpopular Republican governor against one of two Democratic challengers for his

There is widespread agreement that the earthquake on Jan. 17 breathed new life into the political fortunes of Governor Pete Wilson. The quake also jump-started the underdog primary campaign of John Garamendi, the state insurance commissioner, and raised questions about whether Kathleen Brown, the California treasurer and Democratic front-runner, is the inevitable winner she once seemed in the June primary.

The main beneficiary of California's latest calamity, political experts in both parties agree, is Governor Wilson, a practiced hand at coping with disasters. His job performance ratings improved in the weeks after the earthquake, according to a statewide poll.

The governor, who has issued disaster declarations for fires, floods,

riots, toxic spills and droughts in 56 of the state's 58 counties since taking office in 1991, toured the devastated areas after the earthquake in his trademark windbreaker and promised to press the Clinton administration for all the help the state needs.

California seems to be on the verge of a federal windfall, with an \$8.5 billion aid package already approved by the House of Representatives. It is expected to clear the Senate this week and be signed by President Bill

Tony Coetho, a Californian who is a former Democratic leader in Congress, is one of many political analysts who gives Mr. Wilson high marks for his recent performance and points to an upswing in his ratings, which inched back last week to where they had been before protracted

budget battles in Sacramento two years ago. In the latest Field Poll, the governor gets a good or excellent job rating from 30 percent of Californians, up from 25 percent two weeks ago. And 34 percent now grade him as poor or very poor, down from 40 percent before the quake. The survey of 525 adults, conducted on Jan. 27-31, has a

margin of sampling error of plus or minus five percentage points.

And his job approval rating could get better, Mr. Coelho said. "It isn't even necessary that he have all the answers or deliver the goods. It's an attitudinal thing."

Mr. Garamendi, who trails Ms. Brown by 15 points in the polls, attracted attention after the quake by calling for tax increases to pay for rebuilding. The other candidates were more cautious

"Because John is carving out a unique position, that helps him flesh out his identity," said Steve Merksamer, a Republican strategist who was chief of staff for Governor George Deukmejian in 1989, when an earthquake hit the San Francisco Bay Area. Mr. Deukmejian, otherwise adamant about holding the line on taxes, took quick action then by raising the sales tax one-fourth of a cent for 13 months, which yielded \$800 million for reconstruction.

Mr. Garamendi is urging a similar approach, calling for a temporary increase in the sales tax to rebuild, particularly schools, and a temporary increase in the gasoline tax to repair the damaged freeways and upgrade others to protect against future quakes.

Mr. Garamenti's call for new taxes contrasts sharply with the wait-and-see recommendations of Mr. Wilson and Ms. Brown.

The governor is pressing the federal government to reimburse the state for the entire cost of rebuilding, and says he prefers bond issues to taxes if more money must be raised. Ms. Brown says it is premature to call for new taxes until a full accounting of damages is made, which is expected this week. In the meantime, she has combed the books in the treasurer's office and identified \$1.3 billion available for reconstruction, from bond issues approved by voters but not sold, and from bridge loans.

Publicly, aides to both Mr. Wilson and Ms. Brown say that taxes that

were appropriate after the 1989 earthquake are not appropriate today. The state was booming then, they say, but is mired in recession now.



PRESIDENTIAL PIGGYBACK — President Bill Clinton giving a ride to 3-year-old Timothy West on Sunday in Houston, where the chief executive met with cancer patients at a hotel. Timothy suffers from leukemia and is waiting for a bone-marrow transplant.

Away From Politics

 NASA gave up Monday on releasing a science satellite from the shuttle Discovery because of a faulty guidance system. The \$13.5 million Wake Shield Facility, a 12-foot (4-meter) sancer-shaped craft, had been plagued with problems since the astronaut Jan Davis first tried dispatching it with the shuttle robot arm Saturday morning. Initial glitches were figured out in time to try again Sunday, but difficulties with the guidance system scuttled that plan.

Two men practicing landings and takeoffs were killed when their twin-engine plane lost power and crashed about two miles from an airport near Chesterfield, Missouri. Witnesses said the five-seat plane was flying low and appeared to stall before it crashed, a police spokesman said. Thomas Hurster, 66, and Charles Kopetzky Jr., 56, both of suburban St. Louis, were killed.

 Senator Kay Bailey Hutchison of Texas pleaded not guilty Monday in Fort Worth, Texas, to charges that she misused tax dollars during her tenure as Texas state treasurer. Mrs. Hutchison's trial got under way as Judge John F. Onion Jr. began considering pretrial motions; jury selection was expected to start later. Proceedings were interrupted when a bomb threat forced the evacuation of the Tarrant County Justice Center. The threat involved an unrelated trial.

United (or Not), Perot & Co. Forge Broad '94 Agenda

By Dan Balz

Washington Post Service have of DALLAS — Barely a year after cians. he won more than 19 million votes American Free Trade Agreement,

cal movement. and
The state leaders of United We time Stand America, meeting in Dallas to debate their future, faced serious questions about whether Mr. Perot's claim last week that the counmore than an idle boast.

Are they the key to unlocking the America? Can they turn debates in Congress and decide the outcome of close elections this fall, or are ington that their strength depended they merely an information transmission belt for interested voters?

on Mr. Perot's was mistaken.

Some political analysts say

Are they a new political party in the making, or a group so given to fragmentation that their impact will splinter? And can they grow and prosper when Mr. Perot's credibility and personal popularity

have tumbled? The leaders of the organization emerged Sunday with an action plan for 1994 and some clues about how they see their group.

The leaders outlined 11 issues. including the balanced-budget amendment, health care reform, the line-item veto and campaign finance reform, as their legislative priorities for the year.

But they failed to state which of that long list was the most impor-tant, and said that on health care, for example, they had no consensus position.

At the same time, they said they would seek to maximize turnout in this year's elections, educate voters on the records of incumbents and challengers, and in some cases seek out candidates to run for office.

The three days of meetings in Dallas marked the end of a year of organizing by Mr. Perot, who traveled to 49 states last year. The group now has state directors in all 50 states, paid by the Dallas head-quarters, as well as elected state chairmen and congressional district leaders in most districts in the

The Texas billionaire referred to questions about the numbers as "silly putty." B. T. Sisson, the Nevada state chairman, added that

have enough" to worry the politi-

But how much politicians pay for president and three months af- attention to United We Stand ter losing the debate over the North America may be determined by

how effectively it operates. Ross Perot and his followers are struggling to shape a lasting polititogether the new state chairmen and state directors for the first

Asked about a possible Perot residential candidacy in 1996, Garry Luterek, the lowa state chairman, said, "I admire the man try "ain't seen nothing yet" was for many reasons, but that's not why I joined."

Others spoke of Mr. Perot as power of millions of swing voters in America? Can they turn debates in help remake the political system, but they said perceptions in Wash-

> Some political analysts say that to have real political impact. United We Stand America either will have to endorse candidates for of-

fice or run its own slates. One poll-tasker for the Republicans said the party's worst nightmare would be for Perot-backed candidates to siphon off 10 percent of the vote in key districts this fall, which he said would sink many Republicans.







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Joseph Cotten, Veteran Actor, Dies at 88

By Peter B. Flint New York Times Service Joseph Cotten, 88, a leading man who shifted easily between Broadway and Hollywood, died of pncumonia Sunday at his home in Los

Among his roles in film classics. Mr. Cotten portrayed an idealistic theater critic in Orson Welles's "Citizen Kane" (1941), a cryptic merry-widow murderer in Alfred Hitchcock's psychological chiller "Shadow of a Doubt" (1943) and a blundering writer in Carol Reed's romantic thriller "The Third Man"

mificent Ambersons" (1942), a and an embattled industrialist in a thology series pegged to noted legal weapons expert menaced by spies thriller, "Calculated Risk," in the cases.

1960s. His co-star in that play was his wife, Patricia Medina.

Gregory C. Usher, 43, Welles, and an artist inspired by a ghost in "Portrait of Jennie," for which he won the best-actor award at the 1949 Venice Film Festival.

His Broadway roles included the estranged husband of a willful socialite (Katharine Hepburn) in the benchmark comedy The Philadel-phia Story" (1939-40), the stub-born foil of Margaret Sullavan in the comedy "Sabrina Fair" in the early 1950s, an egomaniacal or-chestra conductor in a sature narrating. From 1956 to 1959, he He played the rejected suitor of a "Once More With Feeling," with youthful aristocrat in "The Mag-Ariene Francis, in the late 1950s.

His performances were repeatedly acclaimed by critics and audiences. Reviewing "Sabrina Fair," Brooks Atkinson of The New York Times wrote: "Mr. Cotten gives a most attractive performance. It is masculine, gravel-voiced, cynical and romantic. He is not limited to one dimension

Mr. Craven's testimony apparently was the first time that it had been

acknowledged by a former govern-ment official and that some of its

accomplishments had been openly

"Our capacity to go deep, to go

without anybody knowing it, and do anything we want there, is the

greatest security asset of this island

Oregon, had been a resident of Par-is since 1970. After apprenticeships Mr. Cotten also had many televiin several notable French restaurants, he went on to serve as direc-tor first of La Varenne and later the Cordon Blen cooking schools in Paris, before creating the Ritz the "Joseph Cotten Show," an ancooking school in 1987.

> In 1989, he was awarded the Chevalier du Mérite Agricole by the French government.

Ran Ritz Cooking School

PARIS (IHT) - Gregory C.

Usher, 43, director of the Ritz-Es-

coffier Ecole de Gastronomie

Française at the Hôtel Ritz, died

Friday at his home in Paris of an

Mr. Usher, a native of Portland,

AIDS-related disease.

Olan Soule, 84, veteran radio, television and film actor perhaps best known for his leading roles on the long-running radio drama ser-ies "First Nighter," as lab techni-cian Ray Pinker on "Dragnet" and Mr. Craven's disclosures are be- the voice of Batman on the animating cited by private experts as a ed CBS television series, died Tuesreason to increase the navy's sub- day of lung cancer in Corona, Cali-

Dr. Wilber Gorld, 74, a throat specialist whose professional skills enabled the ailing voices of such stage and opera stars as Frank Sinnation," said Angelo M. Codevilla, arra, Luciano Pavarotti, Linda a senior fellow at the Hoover Insti-Ronstadt and Elizabeth Taylor to rise to Broadway's cry that the



loseph Cotten, who won fame 'Citizen Kane," in his prime.

show must go on, died Saturday in New York of a heart attack.

Dr. Bernard Davis, 78, a Harvard Medical School professor who was a pioneer in bacterial genetics research, the senior author of a standard medical textbook on microbiology and a widely known writer on the social implications of modern genetics, died Jan. 14 of prostate cancer at his home in Belmont, Maceachneetts

Jack Kirby, 76, an artist who helped reinvent the comic book superhero by developing Spiderman, the Fantastic Four and the Incredible Hulk, died Sunday of heart failure in Thousand Oaks, California.

Norman Del Mar, 74, a conductor who excelled in works of such late romantics as Sir Edward Elgar, Gustav Mahler and Richard Strauss, died Sunday of cancer near

Lieutenant General Eugene Tighe Jr., 72, who headed the Defense Intelligence Agency from 1978 to 1981 and investigated the possibility that American prisoners of war remained in Indochina, died Jan. 29 of prostate cancer at his home in San Diego.

DEATH NOTICE

Cleary, Gottlieb. Steen & Hamilton is sad to note the passing of its Counsel, Claude C. Kelly, Jr.

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OLYMPIC RENTALS

Key Postwar German Banker structuring debts that had been tracks down Nazi war criminals, unilaterally canceled by Hitler accused him of assisting Hitler in from 1934, he helped build the his climb into power. foundation for West Germany's

FRANKFURT -- Hermann Jo-

But he always remained a con-

position in the Nazi economy.

which included a board seat IG

Farben, the conglomerate that

his help to rebuild Germany.

He persuaded Germany's credithe late 1930s and '40s tors to reduce the 29 billion marks the Aryanization laws. and 1960s. a brief illness in a hospital in the suburb of Bad Soden, Deutsche Mr. Abs's reign as chairman of the managing and supervisory boards of Germany's largest bank stretched for two decades to 1976. between 1953 and 1983.

cellor, Konrad Adenaner, once said he never made any key decisions. without consulting Mr. Abs. Finance Minister Theo Waigel, War II, Mr. Abs was once called, "the most important banker of our time" by David Rockefeller.

troversial figure because of his key the ever-expanding reparation demands of the Allies."

manufactured the gas for Hitler's death camps.

At the end of the war he was Germany's bank for reconstruction cigar-smoking banker shied away that funneled some \$5 billion in from public life during the last two decades of his life. sought after by two agencies of the Allies. One wanted to try lam as a business and industry.

war criminal, and the other wanted is help to rebuild Germany.

But despite the widespread interior interest in a political career.

His career soon recovered after national respect he achieved, Mr. "A politician is a man who learns to war, and he played an key role Abs was dogged by allegations that less and less about more and more the war, and he played an key role in restoring Germany's cre- he had played an important role in until he arrives at the point where

U.S. Envoy Courts Ulster Unionists

Mr. Abs was on the board of "economic miracle" of the 1950s Deutsche Bank when it helped the Nazis confiscate Jewish property in the late 1930s and 40s as part of

owed from both world wars to But he challenged in court the about 14 billion marks. West Ger- assertions made in a 1970 book that many paid off the 14 billion marks he had participated in forced sales and expropriation of Jewish prop-Germany's first postwar chan-erty. The court found none of the book's accusations valid.

He was nevertheless put on the U.S. government watch list of un-desirable aliens in 1983 and barred calling him "one of the greatest from entering the United States." German bankers," said Mr. Abs's But Deutsche Bank said Mr. Abs greatest service was his success in had traveled to the United States.

1953 in "protecting Germany from since then.

Although he remained an honor ary chairman of Deutsche Bank Mr. Abs also helped set up the and kept an office at the bank's Kreditanstalt für Wiederaniban, headquarters until his death, the Mr. Abs often said he had no

ditworthiness through agreements the Hitler era. The Simon Wie he doesn't know anything about signed in London in 1953. By resential center in Vienna, which everything," he once said.

SPY: Listening In on a Deep Secret About Submarines in a 1991 Chicago Tribune article,

Continued from Page 1

ject in the 1960s, recently described it to a congressional subcommittee in a letter, calling the operation an intelligence coup. But he provided few details of how it had been socomplished and of what, if any-

thing, had been recovered. "Ĥalibut was able to locate, examine and evaluate the accident and to obtain significant intelligence information concerning the submarine, its mission and its equipments," he said, according to a copy of his written testimony.

"It was the opinion of many in the navy and the Defense Intelligence Agency that optimum recovery of intelligence information had been hinted at publicly, mainly

from this accident was achieved," Mr. Craven added.

He noted, however, that the Central Intelligence Agency had "deemed otherwise" and proceeded with the Glomar project to try to raise the sub.

While working for the navy, Mr. Craven pioneered both secret and public methods to plumb the ocean's depths, devising advanced gear for deep search, rescue and salvage. His successful work on the Halibut helped lead to the new class of spy submarines, naval ex-

Although the Halibut episode

a senior fellow at the Hoover Insti-

marine budget.

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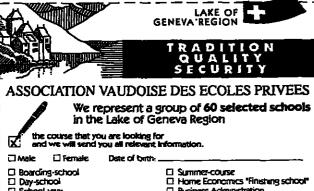
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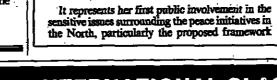
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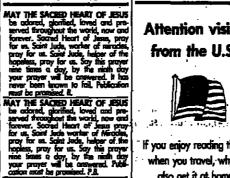
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fore her appointment, including John Hume, the most prominent Roman Catholic leader in the Northern Ireland should remain part of Britain, according to a senior Ulster Unionist Party official. His statement was confirmed by the U.S. Embassy in Dublin. North, who started the movement toward peace mitiatives in talks with Mr. Adams last spring.
Mr. Donaldson said Mrs. Smith had told him Such action, reaching across the border to the British province, which is officially under the purview of the U.S. Embassy in London, appears to go she regretted that the Protestant parties were not getting a hearing in the United States.

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By James F. Clarity

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ACOVE FORES INDIE

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Wounds, Anger and Despair West Is Guilty, Too, Evacuated Bosnians Say

By Rick Atkinson

LANDSTUHL, Germany - There was no whistling shell, no cry to take cover, no warning at all, just a blinding flash and a deafening roar that snapped Cazim Kaliman's left leg below the knee and sprayed shrapnel across his back and right leg. Mr. Kaliman, 35, was one of the lucky ones who would live to recount the scene in Sarajevo's crowded marketplace shortly after noon on Saturday when a single mortar shell killed 68 Bosnians and wounded more than 200 others.

On Monday, he lay in the sanctuary of an orthopedic ward at the U.S. Army hospital here. among 183 people — ranging in age from 10 months to 70 years and including the wounded and their families — flown to Germany in the largest U.S. evacuation from Sarajevo during nearly two

Years of civil war.

They're all guilty—the Europeans, NATO, the Americans," said Besim Imamovic, 40, whose wife lay wounded in the hospital. "They're helping us now and we appreciate that. But they're all guilty."

For some, their first full day out of Sarajevo brought happiness; for others, more grief. One mother wept with joy after learning from an army surgeon that her 17-year-old son would probably keep his leg, which had been badly shattered in the

But another mother, Besha Aisha, learned that surgeons were forced to amputate the left leg of her 16-year-old daughter. The girl's right leg had al-ready been severed after a shell hit the family's house as they were going to bed Wednesday night. Whether lying in hospital beds or wandering through the makeshift barracks set up for family members in the Landstuhl gymnasium, the refugees had a chance to compare horror stories of life

in Sarajevo. Cazim Kaliman's account was typical. When he came to his senses in the marketplace on Saturday, he saw his girlfriend, Hajra Smajic, lying dead next to him, her body blown to pieces. She had shielded him from the full force of the blast as they browsed among the meager offerings spread on market

A few feet away lay a man without a head. Another writhed in agony, both hands severed. A small mushroom cloud of smoke and dust boiled from the shell crater. Screams filled the square. "People were lying on the ground everywhere, bodies and pieces of bodies." Mr. Kaliman re-

called. "It was like a butcher shop." Cab drivers from a taxi stand down the street pulled their vehicles into the market. Someone helped Mr. Kaliman into a back seat and drove

EU, Split,

Leaves It

To NATO

By Roger Cohen
New York Times Service

Union, beset by divisions over the Bosnian war, called Monday for an

immediate end to the siege of Sara-jevo and said NATO air power

might be used to achieve that goal. But a statement from foreign min-isters set no deadline for Serbs to

lift their 22-month siege of the Bos-

The appeal by ministers fell well

short of France's request for a for-

mal ultimatum to be set for the end

of the siege and reflected sharp

differences of policy, with the

French, Belgian and German view

that the time has come for the use

of North Atlantic Treaty Organiza-

a military action." Greece is a firm

ally of Scrbia's and currently holds

nation European Union.

no more than a few days.

vance the peace process.

Douglas Hurd, continued to insist

Monday that any decision to use air power must be based on a politi-

cal analysis of how it would ad-

balance against the use of force has

existed in Europe. In the minds of many, that balance is now mov-

Lord Owen, the European Union's

mediator in the Balkan conflict. He

presented a report to the ministers

in which, diplomats said, he argued

strongly against the use of force.

"Up to now," Mr. Hurd said, "a ..

Not, however, in the mind of

nian capital.

extent, Britain.

BRUSSELS - The European

him to a hospital, where his broken leg was set and his shrapnel wounds cleaned. With his 10-year-old daughter, Alma, who had been waiting at home for him to return from the market, he was put on an air force C-130 on Sunday and flown to Germany.

While expressing thanks "to the UN in Sarajevo and the people here who are helping me," Mr. Kaliman shock his head when asked about the West's reluctance to intervene in behalf of the besieged Bosnians. "They're passive," he added, "Despite the aggression against us, they're simply passive. This war makes no sense."

Besim Imamovic, a 40-year-old construction worker, had stayed home with his two daughters Saturday morning while his Mejra, 39, went to the market to sell votive candles. She was chatting with her sister, Asina Hasanowic, when the shell deto-nated. The blast blew away Mejra's right hand, the thumb and forefinger of her left hand, peppered her legs and face with shrapnel, and singed the hair from her head. Her sister was killed.

Learning of the catastrophe from a neighbor, Mr. Imamovic wandered through the city for five hours, searching for his wife. He moved among limbless bodies in the morgue and waited with hundreds of others in a hospital courtyard until finding her at 5:30 P.M., shortly before she was taken into surgery. On Monday he sat in the Landstuhl gymnasium with his daughters, 15-year-old Kasima and 5-year-old Nejra, pondering the

"I have no words to express what it's like to be here," he said. "I want to go back to Sarajevo someday, but not my children. That is no place for

Although the evacuation was prompted by Saturday's slaughter, many of those who arrived here Sunday had been wounded weeks and even months

earlier, including at least two Bosnian Muslim soldiers in need of reconstructive surgery. U.S. military officials could shed little light on the criteria used by United Nations officials in Bosnia to determine who would be evacuated to Germany. "I have no earthly idea what the decision process was of the UN in Sarajevo," said Colonel David H. Layland, commander of the

medical center here.

Also uncertain is where the refugees will go from Landstuhl. Some of the wounded will need mouths of rehabilitation and therapy, while others are likely to be released in a day or two.

For two years, the whole world has failed to help Bosnia," said Abid Gagula, 49, crippled by a bullet that shattered his right femur in July 1992. "I understand that America is a long way from us. I can see that America doesn't understand our mentality. But Europe - Europe has been asleep."

ALLIES: What? Where? How?

Continued from Page 1

experts in Munich this weekend. but we will definitely consider stronger action, including air

British have been unwilling to risk the Serbs' retaliation against their troops on the ground while the United States bombed from the rel-

The United States has plans that, as the generals put it, could min the lights out in Belgrade," one official said, but a heavy bombing campaign could cause embolden the Bosnians to keep fighting instead of making peace.

A limited bombing campaign against individual Serbian artillery pieces and mortars is thought by most military experts to be a recipe for failure, as the American experi-

BOSNIA: tion air power meeting opposition from Spain, Greece and, to a lesser Warning to Serbs

Continued from Page 1

The statement is not as explicit as I might have liked," said the French foreign minister, Alain for fairly limited purposes." He defined that as "to prevent the siege. of Sarajevo, to stop that shelling." Juppe:
But Greece's foreign minister,
Karolos Papoulias, insisted that
"nobody will achieve anything with "And also it's necessary to help

move the laumanitarian aid forward and protect the UN troops." Mr. Lugar, long an advocate of lifting the arms embargo against the Bosnian Muslims, said it was the rotating presidency of the 12time to "carry the war where it

The EU statement, made in response to the killing of 68 people in Support for air strikes also came a mortar anack on the central Sarafrom Senator Joseph I. Lieberman, Democrat of Connecticut, who said evo market on Saturday, effectivey left all real decision-making to a NATO meeting to be held at the ambassadorial level on Weineson CBS that "the aim here is to use some force so that we can bring the Serbs to a reasonable negotiating

day.
Mr. Juppe said NATO should determine what "immediate lifting But Senator Phil Gramm, Reof the siege of Sarajevo" meant. publican of Texas, said he wanted adding that in France's view to see "a clear plan as to how, by intervening we're going to stop the killing." He said that "nobody in the military has told me that bomb-NATO should set an ultimatum of Britain's foreign secretary,

ing would be decisive."

Mr. Hamilton said there was no support in Congress or in the na-tion at large for using ground troops to end the fighting in Bos-

"I do not think you will find support among our allies for a very broadened, extended air war," he said. "What you're now seeing discussed, and discussed very urgent-ly, are much more limited uses of air nower, which I would support. I don't think we want to broaden this war. I don't think we want to make (Reuters, AP)

ence in Vietnam showed. That involvement cost President Lyndon

B. Johnson his presidency, and some sympathetic observers in Enrope believe that military involvement in Bosnia would be the big-Until now, the French and the gest risk to Bill Clinton's presidency as well.

"It's self-evident that if you ask the Europeans what to do, they will give you divided counsel," one offiative safety of the skies above.

The French tried last month to get the Clinton administration to put pressure on the Bosnian Mus-lims to accept an EU peace plan that would give one-third of the country's territory to each of the three main ethnic groups, but the United States refused because it believed the Muslims were entitled to regain ground with arms they either samuggled in or seized on the

With so many recriminations and reasons to give up and get out, NATO and the EU may well decide, as they did last summer and again last month, to threaten air strikes and hope for the best. But empty threats from NATO, as Mr. Clinton himself made clear in Brussels, could be worse than no action

The choice before him now is truly an agonizing one. Air strikes could take the alliance down the slippery slope of a painful, costly, and open-ended military involve ment. But inaction, and a pullout of French and British forces from the UN, would mean that confronted with the worst war in Europe in 50 years, the EU and NATO, the two Western institutions established after World War II to make

sure nothing like that ever hap-pened again, had finally failed and thrown up their hands. The consequences of that failure not only in the Balkans but in Ukraine, Russia, and the rest of the tumultuous landmass that used to be the Soviet Union, could be ca-

Spanish Army Officer Is Killed in Barcelona

BARCELONA — A Spanish Army colonel was shot to death by unknown gunmen on a street here Monday, local officials said. Witnesses said the attackers fled

in a car. No further details were available. Basque separatists have frequently targeted members of the

UN Seeks Clearance To Strike at **Serb Guns**

By Paul Lewis New York Times Service

UNITED NATIONS, New York — Secretary-General Butros Butros Ghali has asked NATO for authorization to order punitive air strikes against Serbian gun posi-tions around Sarajevo. He already has the authority to

unilaterally request NATO air power to defend peacekeeping troops in Bosnia, but he cannot order punitive attacks. In a letter on Sunday he sought NATO ap-proval to order punitive air strikes f he deems them necessary. So far he has not requested punitive

In the letter to the North Atlantic Treaty Organization's secretary-general, Manfred Worner, Mr. Butros Ghali asked for authorization as quickly as possible from the NATO Council in Brussels to empower its Southern Command to attack Serbian guns encircling the Bosnian capital.

A senior UN official said that

the secretary-general had become increasingly frustrated in recent weeks by a tendency to blame the United Nations for the continuing war in Bosnia and the unwillingness of world powers to take action

to stop it.
"We have the political will to use force against attacks on Sarajevo now, but we have to be sure that NATO does not refuse us," the official said.

Any attacks would be planned and ordered by a senior U.S. offi-cer, Admiral Jeremy M. Boorda, the head of NATO's Southern Command, from his headquarters

In his letter, the secretary-general wrote that mortar attacks last week on Sarajevo, at least one of which was by Bosnian Serbs, "make it necessary to prepare ur-gently for the use of air strikes to deter further such attacks."

It was not clear which of the recent mortar attacks was launched by Serbian forces, or whether air strikes on Serbian gim positions would come only in response to future attacks on Sarajevo. The secretary-general's request

for authority to call air strikes appears likely to involve him in a struggle with Russia, which in the past has taken the view that the Security Council must first approve any request for the use of NATO warplanes in Bosnia. major weapons systems.

Gone from the budget are funds to build

Madeleine K. Albright, the U.S. representative to the United Nations, said she was "pleased" by the secretary-general's letter to NATO. saying that it showed "the United Nations and the alliance can cooperate together."

U.S. diplomats say President Bill Clinton also asked Mrs. Albright to press the secretary-general to intensify the investigation into the mortar attack on Saturday that killed 68 persons.

But many officials believe that punitive air strikes against the Serbs could spell the end of the UN peacekeeping and relief role.

The United Nations has been moving steadily closer to using force since the NATO summit meeting last month reaffirmed the alliance's readiness to use air power to reopen Tuzla airport to relief flights and to end Serbian efforts at blocking the rotation of the guard at Srebrenica, a Muslim pocket that was declared a safe area.

the next six years. He also would lenge, preserve and build upon the save \$118 billion from Medicare by cutting reimbursements to hospitals and doctors and making benefits more expensive for many of its elderly beneficiaries. Medicaid

gress praised his spending blue-print but acknowledged that fights lay ahead.

"Undoubtedly some changes will be made," said Martin O. Sabo, a Democrat of Minnesota who is the House Budget Committee chairman. "But I am confident

budget discipline demanded of us, and keep the economic recovery going."

Beyond the higher tobacco tax,

Mr. Clinton's package imposes no

Military Spending to Shrink a Real 1%cancel two fighter aircraft still on the drawing the past year, the senator has defended the board: the navy's A/F-X and the air force's Pentagon against proposed spending cuts.

> simultaneously on two fronts? Is that more a political statement than a military reality?" "There can still be a peace dividend," he said. "The question is whether we have the political

> The main questions to be answered in the budget debate, Mr. Dellums said, are: "Do we

need the forces to fight and win two wars

■ More 'Spending for Readiness'

"The president's budget increases spending for readiness," Defense Secretary William J. Perry said Monday, "and ensures that our military has what it needs to keep U.S. forces ready to fight," news agencies reported from Wash-

Mr. Perry said that the budget was the "bottom line" for the national security. John S. McCain 3d, Republican of Arizona, a member of the Senate Armed Services Commit-

tee, said the budget would not buy the force needed to meet the stated goal of being able to fight two nearly simultaneous regional wars.

He said that the budget "seems to be oblivious to the reality that the world is a more and

more dangerous place." The two-war strategy calls for reductions by 1999 to a force of 1.4 million troops. 12 aircraft carriers, 12 army divisions, three Marine divi-

sions and 20 air force wings. (Reuters, AP)

BUDGET: Clinton Spending Blueprint for 1995

PSSHHT ON YOU, CHARLES! — Police officers in Auckland, New Zealand, leading away a man who charged at Prince Charles

of Britain on Monday while spraying a can of air freshener. The prince was unburt. The police said Castislav Bracanov, the attacker,

had earlier made minor attacks on visiting royalty. In January, in Sydney, a student fired blanks at Charles from a starter's gun.

Still in the works are multibillion-dollar proposals to build a new "stealth" fighter for the

air force, a new attack helicopter for the army, a

new attack submarine and a new aircraft carrier for the navy and the new Milstar satellite sys-

tem for global communications in wartime. All

have been questioned by congressional critics

as vestiges of the Cold War.

The fiscal 1995 budget rose in large part because Congress mandated a 1.6 percent pay increase for every member of the still-shrinking

military. Active duty troop levels would fall by

85,500 in fiscal 1995 to 1.52 million. The ad-

ministration would also spend \$2.8 billion to

close military bases as required by Congress

and \$5.7 billion to clean up environmental

The budget battle in Congress will be waged

between those who believe that the Pentagon

can withstand a still-leaner budget, as does

Representative Ronald V. Dellums, the Califor-

nia Democrat who heads the House Armed

Services Committee, and those who believe that

the Pentagon may already have sacrificed

enough, as does Senator Sam Nunn, the Geor-

gia Democrat who heads the Armed Services

A spokesman for Mr. Nunn said he would withhold comment on Mr. Clinton's budget. In

damage at military installations.

proposed multirole fighter.

Continued from Page 1 next year, while collecting \$1.342

manufacturing.

By Tim Weiner

New York Times Service

military budget bill for the fiscal year 1995 puts Pentagon spending in a holding pattern, transferring money saved by canceling weapons into

Military spending would rise \$2.8 billion in fiscal 1995 under Mr. Clinton's plan, Adjusted for inflation, that represents a decline of slightly less than 1 percent from the current budget

The \$263.7 billion proposal has something

for almost everyone to dislike. Some members

of Congress want to cut more weapons and use

the money to pay for social needs. Others fear the advent of a military unable to fight two major wars at once, a benchmark for Pentagon

planners. And a third faction sees the Penta-

gon's budget not only as the bulwark of military

preparedness but as a steady supplier of jobs from soldiering to shipbuilding to software

That is one reason a huge peace dividend expected by many at the end of the Cold War has not materialized. Instead, small reductions

have been achieved incrementally by cutting

troop strength and dropping plans for a few

more F-16 fighter planes, long a mainstay of the U.S. arsenal. The administration would also

more training and higher pay for soldiers.

WASHINGTON - President Bill Clinton's

trillion in revenues But the red ink swings upward again at decade's end, hitting \$201.2 billion in 1999, without the enactment of Mr. Clinton's No. 1 priority for this year: revamping the health-care system. If that initiative is enacted, Mr. Clinton projects that next year's deficit would sink to \$165.1 billion, and that the 1999 shortfall would be \$181.1 bil-

To finance his health-care plan. the president would raise the 24cent-a-pack lax on cigarettes to 99 cents, bringing in \$67 billion over payments to the states would be trimmed by \$61 billion.

Mr. Clinton's supporters in Con-

that Congress will rise to the chal-

new, general tax increases. It does, however, increase government revenues by \$1.52 billion in 1995 by increasing more than 30 user fees, ranging from higher entrance fees at national parks to increased fees for meat and poultry inspections. His budget would increase Job Corps and four other Labor De-

partment job-training initiatives from \$1.6 billion this year to \$2.1 billion in 1995.

Israeli Aide Backs

Talbott Posting

WASHINGTON - American Jewish leaders who have raised concerns about the stance on Israel of the deputy secretary of state-designate, Strobe Talbott, do not reflect the views of the Israeli government, a senior Israeli official said Monday.

The official. Deputy Foreign Minister Yossi Beilin, speaking at the National Press Club, also said that he personally endorsed the appointment of Mr. Talbott, a close friend of President Bill Clinton's who is the administration's chief policymaker on the former Soviet

KOREA: Hope Is Fading for Inspections in the North

unitive measures, such as UNcould provoke North Korea's unpredictable leadership to start a di-

tient diplomacy has been supersed-ed by talk of new U.S. military preparations. The Defense Departknown as Team Spirit, that North forces in South Korea. Korean leaders have depicted as a In an unusually tough statement symbol of planning for war. The last week, North Korea denounced orders to ship out more than a some of these moves as "reckless thousand U.S. troops and reservists new war machinations." But to South Korea are being prepared

If North Korea fails to change its tance by then, U.S. officials said, Washington is likely to announce a planned deployment of Patriot missile interceptors to South Korea. The Pentagon's aim is to com-still have low combat readiness, plete the transfer by late March, "We are concerned with their miliplete the transfer by late March, when North Korea's annual win- tary preparations."

tertime military training — and its ■ Seoul Predicts Sanctions readiness for sudden war - is at a seasonal peak. Several officials said the CIA di-

rector, R. James Woolsey, who announced two weeks ago that North sastrous war on the peninsula.

But with the deadline approaching. Washington's rhetoric of patient diplomacy has been approaching the peninsula.

Korea "has vaulted to the top of washington's rhetoric of patient diplomacy has been approach." gence satellites to capture more frequent images of North Korean termory. He also has activated for the nent has notified some reservists to first time a "national intelligence be ready for participation in a joint support team," capable of provid-military exercise with South Korea, ing swift military analysis to U.S.

> Pyongyang has been adding rocket launchers and artillery to forces deployed within striking distance of Seoul, according to U.S. officials. Mr. Woolsey told a Senate committee two weeks ago that, al-though some North Korean forces

South Korean officials said Monday that UN sanctions against North Korea for refusing nuclear nspections appeared to be inevitable despite a new promise by its leader not to develop atomic bombs, The Associated Press reported from Seoul.

Foreign Minister Han Sung Joo said UN sanctions against the North appeared unavoidable if no progress was made in the nuclear issue within two weeks. Mr. Hang told a meeting with

opposition legislators that if no breakthrough occurred by Feb. 21, then the director-general of the International Atomic Energy Agency was "expected to declare safeguards broken in North Korea." In a verbal message sent last week to President Clinton through the U.S. evangelist Billy Graham, President Kim Il Sung of North Korea again pledged that his country would not develop nuclear weapons and said he hoped for improved ties with Washington, Seoul officials said.

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Business With Vietnam

thing for the United States in ending the 19year-old ban on doing business with Vietnam. For Mr. Clinton, it was an act of political courage. Had his predecessors been able to take a larger view of American interests, they would have lifted the embargo years ago.

Vietnam has been changing dramatically for nearly a decade. Most of the differences that drove Hanoi and Washington to war in the 1960s and '70s and kept them at odds through the early '80s have disappeared. In fact, almost all have been resolved in America's favor. Vietnam's troops are out of Cambodia. Its markets are open to the world. And it has turned away from what remains of the Communist bloc to seek new links with the Association of South East Asian Nations, formed during the Vietnam War as an anti-Communist bloc.

Vietnam is still a one-party state with an appalling human rights record, but so are some of America's best friends and trading partners in Southeast Asia. What has kept Washington at arm's length from the new Vietnam is, of course, the legacy of an old war. Only a small part of that legacy was sub-

stantive. While every single case of a soldier lost without remains or information is a family tragedy, the number of Americans still unaccounted for is unusually small given the scope and duration of American involvement.

The war's larger legacy has been political and psychological. The dead and the missing were

military victory. For many Americans this was humiliating: for some, even dishonorable. Re-fusing to acknowledge Hanoi meant refusing to certify Washington's defeat. As the years passed, and Vietnam found the trade and aid it needed elsewhere, making the embargo pointless, only a minority of Americans remained irreconcilable. But successive Republican presidents indulged this minority, while successive Democrats feared provoking them. It is thus remarkable that Mr. Clinton.

whose own opposition to the war and avoid-ance of the draft made him especially vulnerable to attack on this issue, became the president who finally recognized reality and acted in the national interest.

Hanoi made it easier for him with its vastly improved cooperation in recent years on searching for remains of missing Americans. So did American business leaders clamoring for a share of the growing economic action before European and Asian countries locked any more of it up for themselves. And Mr. Clinton has prudently held back on such steps as diplomatic recognition and special trade and aid agreements, holding them out as inducements for further Vietnamese cooperation and human rights progress. But give this president the full credit he deserves, for at last ending America's self-imposed, self-punishing exile from the new Vietnam.

Ukraine and Russia

At first the election of a new president of Crimea committed to restoring that Ukrainian territory's traditional tie to Russia looked ominous. Was the vote not bound to feed the menacing feud between Ukraine and Russia? But something smart occurred to the two of them. If Crimea goes into Russia, and especially if Russia helps, then 1) a frightened Ukraine is likely to back off from its commitment not to go nuclear, and 2) Russia will find itself perhaps with Crimea but with a nuclear neighbor as well. That is how to explain the steps now being taken in Ukraine to advance. in the suspicious parliament as well as in the more enlightened leadership, the lagging START-1 strategic arms reduction treaty, the Jan. 14 Moscow agreement on denuclearizing Ukraine signed by Ukraine, Russia and the United States, and the good old Nuclear Nonproliferation Treaty, which Ukraine has undertaken to sign as a nonnuclear state.

Farlier the Ukrainian parliament had resisted on the theory that Ukraine, to protect itself against a gathering Russian threat, needed to keep the nuclear weapons it inherited when the Soviet Union vaporized, But the Jan. 14 agreement seems to be inducing a second look. It offers Ukraine, in return for nuclear self-denial, a range of economic compensations and security guarantees. To a wobbly

high security anxieties, these offerings are starting to look more valuable than the on-itsown existence it would face if it dropped out of the Jan. 14 accord.

Crimea is about two-thirds full of ethnic Russians who, with the 9 million Russians elsewhere in eastern Ukraine, are having second thoughts about their vote for Ukrainian independence two years ago. Economic calamity and a surge of ethnic sentiment account for the change. But it seems frivolous to change position on so great an issue in so short a time. Nor, after Yugoslavia, can there be much foreign sympathy for starting to unravel yet another country's ethnic crazy quilt. For Crimea, embellishment of autonomy is a better idea.

The United States is alarmed at any aggravation of tension between the two largest parts of the old Soviet Union, and at any expansion of the nuclear club. That is what led Bill Clinton two weeks ago to strengthen American guarantees to Ukraine. The core American interest is to hold Russia to its word on Ukrainian territorial integrity so that Ukraine can better be held to its word on nonproliferation. As a house itself vulnerable to separatist movements, moreover, Russia has special cause not to indulge separatists next door.

- THE WASHINGTON POST.

Better the American Way

When President Bill Clinton granted a twoday visa to Gerry Adams, the wise course for an unhappy British government would have been to cut its losses and dismiss the matter as an internal U.S. affair - as the British initially seemed to be doing. Then early last week, Prime Minister John Major and his foreign secretary, Douglas Hurd, inexplicably threw a fit. The U.S. ambassador to Britain was summoned to Downing Street for a harsh lecture, and the British public was treated to the peculiar television spectacle of a Larry King interview on CNN with Mr. Adams, in which an actor spoke the Sinn Fein leader's responses.

Under British law, Mr. Adams can be seen but not heard on television, and instead of challenging this bizarre censorship, CNN cravenly chose to comply. A similar ban in the Irish Republic was allowed to lapse on Jan. 19. and Mr. Adams's voice can now be heard by many Britons with access to Irish radio and television. If Mr. Major is indeed serious about his government's new peace initiative on Northern Ireland, he should also be ending censorship and encouraging debate. The British media, however, lack America's safeguards for free speech, making them much more vulnerable to politicians' whims. In this case it seems appropriate to ask just what the old lion is afraid of.

Mr. Adams made the most of British mistakes without expressing a single new thought. For millions of Americans, the novelty was in seeing a live Irishman express such views. In seven television interviews and five press conferences, his equivocations about the Irish Republican Army's indiscriminate killings fully justified Washington's barring of his entry on eight previous occasions.

When he applied this time, however, there were new circumstances. Britain and the Irish Republic had jointly appealed to Sinn Fein in December to renounce violence and take part in a new peace initiative, the first break in the ice. Meanwhile Mr. Major, his hand forced by leaks, confirmed that his government was already engaging in secret discussions with Mr. Adams - a development that makes hypocritical the British outburst against Mr. Adams's visit. Apparently Mr. Major considers it appropriate to talk to Mr. Adams in secret, but inappropriate for the United States to allow him to talk to its people in public.

Senators Edward Kennedy and Daniel Patrick Moynihan joined 38 other members of Congress in urging Mr. Clinton to allow Mr. Adams to take part in a New York conference attended by other Northern Irish leaders, notably John Hume, who speaks for the province's nonviolent nationalist majority. And so the president, for principled as well as political reasons, let Mr. Adams in.

Americans are rightly appalled by violence in Northern Ireland, carried out by Protestant paramilitary groups as well as by IRA gangs, some with criminal sidelines. Yet censorship and visa blacklists are not the answer. President Clinton was right to let Americans hear and question Gerry Adams.

- THE NEW YORK TIMES.

Other Comment

After the Outrage in Sarajevo

The massacre in Sarajevo on Saturday differs only in degree from atrocities that have become commonplace in that city and throughout Bosnia. But it must not fall on blunted sensibilities or be shrugged off with weary appeals to "real-ism." It was an outrage: not an act of war but, cold-blooded savagery against civilians going about their normal business.

It was also a breach of international law perpetrated under the eyes of United Nations

forces. If the presumptive guardian of interna-tional order can tolerate such flagrant deliance of its mandate, its soldiers, international law, human rights, world opinion and common hu-

manity, it might almost as well disband. It is nearly too late to save anything of the UN's authority and to prevent Bosnia from descending to a still deeper circle of hell. If almost the last chance is not to be missed, the UN must now summon up the resolution to make its resolutions stick.

- The Independent (London).



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More Meaningless Banalities

P ARIS — In its first edition after the massacre of 68 people in the Saravejo marketplace by a single mortar shell, the French newspaper Le Monde identified on its front page one of the principal culprits in the barbaric war of Bosnia.

Drawn by Plantu, the editorial cartoon pictures a Western politician, or perhaps a diplomat, standing between a television cameraman and a grieving Muslim mother cra-dling the broken, lifeless body of a child in her arms. The official ad-

dresses her in elegant French:
"Permit me, Madame, to say to
you several banalities that are devoid of any meaning but will make the television audience believe that I am with you with all my heart." The world may never know with

certitude who fired that murderous shell with such precision. But the Sarajevo massacre reveals how empty and meaningless the declarations and negotiations on Bosnia spon-sored by Western Europe, the Unit-ed States, Russia and other governments have become. In the pantheon of the many culprits of Bosnia, Westera cynicism now occupies its own particular place of dishonor.

The Sarajevo massacre touched off a rush to posture in Washington, Paris, London, Brussels and elsewhere. Statesmen suddenly fearful of being accused of tolerating atrocity on a grand scale rushed to show in words how concerned, deter-mined and effective they have alBy Jim Hoagland

ways been. Blame for the horrors of Bosnia lay elsewhere, they suggested either explicitly or implicitly. Primary blame does lie with the

extraordinarily cruel, shortsighted or stupid acts of the warring tribes of ex-Yugoslavia, and first of all with the Serbs of Bosnia and of Belgrade. Oursiders cannot be blamed for not risking their own lives to make these tribes stop killing each other.

But the statesmen of the world can be blamed for putting their own political objectives before the suf-fering of the people of Bosnia and then pretending otherwise. They can be blamed for wringing advantage from the blood-soaked garments of the Sarajevo marketplace by placat-ing public opinion with bromides and camoullage instead of providing clear explanation. Instead the world's major govern-

ments argue over air strikes that they are not prepared to launch and political consensus that they cannot estab-lish. Hidden disagreements lie at the center of the confused flurry of diplomacy and muted Western saber-rattling that preceded the Sarajevo shell-ing and has resumed in its wake. The central reality for Western

Europe and Russia is that Serbia has won the war in Bosnia and is ready to cash in its chips. Europeans, led by France, feel that the time has come to accept this result and save

the Muslims from total annihilation by making them surrender -- now - at the conference table. The French truly believe that this is the most pragmatic and moral course available, provided that the United States will join Europe in commit-

ting troops to police the surrender.

The tragedy in the Sarajevo marketplace does not change the French calculation. Instead it confirms the French view that the conflict grows more bloody and more explosive as it stretches on into its third year. That is what puts Paris and Moscow, which are at ease with a Serbian victory, at odds with Washing-ton, which is not. (The French argue persuasively that they have won German Chancellor Helmut Kohl and British Prime Minister John Major over to their view.)
The Clinton administration does

not see three or four months more of war as the worst possible outcome in Bosnia. The Muslims have secured arms despite the United Nations embargo against ex-Yugoslavia and may now be able to "create facts" on the ground by retaking territory. That would make negotiations more productive in late spring or early summer, in Washington's view.

That view happens to fit two key realities on the U.S. side. One is that President Bill Clinton is not prepared to pay the political cost in the Muslim world or in domestic opinion of openly forcing the Bosnian Mus-lims to surrender. Secondly, like the

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French and every other Western government, the U.S. government is not prepared to commit the force needed to reverse the Serbian conquest that has already occurred.

Some Europeans suspect Washington has embarked in recent weeks on a covert program of supplying small arms to Bosnia. Such a step, if it has been taken, would fit a U.S. strategy of trying to buy time and new ground for the Muslims without running the risks involved in changing the strategic result of the war.

U.S.-European relations are being poisoned by the Bosnian war, as the spreading of unproved but firm-ly held suspicions in Paris over U.S. gunrunning shows. The inability of Western governments to explain their calculations and conflicts with frankness produces a confusion that saps public confidence, slowly but surely. More meaningless banalities uttered for television cameras can only worsen what has already become a major tragedy.

NATO Has the Force, but Will Clinton Give the Leadership?

N EW YORK — In one bloody moment the hypocritical facade of Bill Clinton's empty policy on Bosnia crumbled. The mortar shell that killed 68 people as they shopped in Sarajevo's market on Saturday ended the pretense that America had a mentionful policy.

that America had a meaningful policy.

President Clinton inherited a Bosnian horror from European appeasers and President to act, he essentially withdrew from the pro-

blem, hoping that Americans would forget it. From the lowest echelon of the State Department to near the highest, no one believed in the nonpolicy. How far the rot of cynicism had gone was shown in a report given at the National War College last month by Richard Johnson, a department officer who formerly headed its Yugoslav desk. He titled the paper The Pinstripe Approach to Genocide. "Senior policymakers have failed to level

By Anthony Lewis

with the American people on the nature of the moral and security challenges that America faces in the Balkans, Mr. Johnson said. He said officials had deliberately played down evidence that Serbian "ethnic cleansing" of Muslims in Bosnia amounted in law to genocide. In short, officials knew what was right but

had not the courage to do it. Or, more precisely, Mr. Clinton did not. He gave the orders. The political calculation in Washington, London and Paris was that the victims of aggression would eventually accept the division of their country. But the army of Bosnia fought on against the odds, and grew stronger. France asked Washington to join in pres the Bosnian government to give up. That was one thing the administration would not do.

The necessary steps are plain.

The growing strength of the Bosnian army means that no ground troops are needed from outside. What is needed is what Mr. Clinton proposed and then abandoned - NATO air strikes against the aggressors, and an end to the arms embargo on Bosnia.

The slaughter in the Sarajevo market underlines what should be the first air targets: the

Serbian gun positions in the hills around Sara-jevo and other Bosnian enclaves.

Planes should be used to interdict the main-force Serbian and Croatian units now moving into Bosnia. That means taking out the Drina River bridges that link Serbia and Bos-

nia, and attacking Croatian entry routes.

• The United States has warned President Franjo Tudjman of Croatia repeatedly to keep his hands off Bosnia. It is time now to make Croatia pay a price, economic and political.

The United Nations is seemingly prevented The United Nations is seemingly prevented from acting effectively by its own bureancracy and Russia's veto in the Security Council. Others must move. NATO has the force. Lawyers have shown persuasively that the UN arms embargo is legally nonexistent. All that is required is leadership. That can come from only one man: Bill Clinton.

On CNN last week, Mr. Clinton's national security assistant. Anthony Lake boosted

security assistant, Anthony Lake, boasted that "Serb violence around Sarajevo has declined" since the NATO summit last month made another empty bombing threat.

Tell that to the perents of the six little girls killed by Serbian shells as they played in Sarajevo on Jan. 22. Or to the families of the 10 people killed by Serbian shells on Feb. 4, or of the 68 on Feb. 5. They want action, not pretense. So should we.

The New York Times.

Heading Off a U.S.-Japanese Collision

WASHINGTON — U.S. trade policy toward Japan, if it can be called a policy, is going nowhere. The highly touted "framework" for an agreement, initialed last year by President Bill Clinton and Prime Minister Morihiro Hosokawa is in trouble, according to both parties.

Like parties to a labor agreement, international negotiators often talk in grim terms prior to making a deal. But to all appearances a summit next Friday between Mr. Clinton and Mr.

Hosokawa is in jeopardy.

Prospects for heading off a collision "look pretty dark right now," said an administration official. If the "framework" talks blow up, the administration threatens to consider "options," which means a retrogression to the unilateral sanctions and punishments of the Reagan-Bush years.

Mr. Hosokawa, after announcing a \$55 billion tax cut (part of a proposed \$125 billion domestic stimulus package urged on him by the Americans). was forced to withdraw it because of opposition within his fragile political coalition. That adds another unknown dimension to the outlook.

Formerly sold on the idea that Mr. Hosokawa was genuinely interested in and committed to opening up the By Hobart Rowen

Japanese market so as to improve living standards for the Japanese consumer, Clinton aides now privately wonder whether they had misassessed Mr. Hosokawa, or at least his ability to deliver on his promises. One of Mr. Clinton's problems,

'We have to do everything we can to make sure that others keep

their markets open, as we have been doing.'

suggested Glen S. Fukushima, a former deputy trade representative, is that he has not yet formulated a "clear, coherent and consistent" trade policy toward Japan. Mr. Fukushima points out that there is no central policymaking apparatus on Japan within the Clinton administration.

Indeed, pieces of the action are spread among the White House, the Office of the Trade Representative,

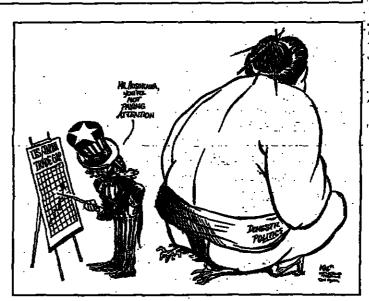
and the State, Treasury, Commerce, and Agriculture departments. Depending on their ties to U.S. companies, some Clinton aides are more

hawkish than others.

It is time not only to get the institu-tional confusion settled, but to revise American thinking about Japan. U.S. policy still suffers from the delusion that the Japanese are invincible. That theme, brilliantly marketed by Michael Crichton's pretentious novel "Rising Sun," is answered in a solid new book by Bill Emmott, editor of

The Economist, "Japanophobia."
Other experts, such as Paula Stem,
agree that the Clinton administration team has become obsessive on Japan, which now should be considered less of an economic threat. She advocates that the administration adopt a "get smart" policy that fo-cuses on America's longer-term relationship with Japan, not simply the

narrow, "get tough" approach.
C. Fred Bergsten, director of the
Institute for International Economics, makes the same point in different language: Concentrate now on the macroeconomic issues — especially keeping the yen strong — and post-pone the sector-specific issues to the next meeting between President Clin-



ton and Prime Minister Hosokowa. Paula Stern would use the present window of opportunity to have the United States downgrade its trading relationship with Japan from "allencompassing" to merely "very im-portant." That would enable the United States to focus on new challenges from emerging markets in the rest of Asia - including China and in Latin America.

My concern is whether Mr. Ho-

sokawa or any future Japanese prime minister can generate the vision plus the political influence necessary to chart and then carry through the internal reforms needed in Japan.

On the American side, the Clinton administration at the moment is paying little attention to suggestions from its critics or other outsiders. It doggedly pursues the sector-specific orientation of the "framework" talks. It fears a backlash from Japan-bashers on Capitol Hill, including prominent Democratic party officials, if it fails to do so.

The strongest part of the American case is the effort to break down Japa-nese import barriers in areas where the government has complete control, as in its own procurement of computers, satellites, telecommunications equipment, and medical and other technology; and in services, such as insurance, where foreigners are not allowed to penetrate the Japanese market unless their licenses are shared by Japanese industry. The weakest part of the American

case, as some, but not all. American trade officials will acknowledge, is the effort to get the Japanese government to force its auto companies to buy a minimum level of imported auto parts, even if anecdotal evidence sug-gests that the Japanese companies have historically discriminated against American anto parts. I agree with those trade experts

port of the NAFTA and GATT agreements, and by participation in new talks about the Asia-Pacific region. but who remain disturbed by his "resuhs-oriented approach to Japan, which implies unilateral sanctions. Columbia University's Jhagdish Bhagwati, the free trade guru, has argued that America should keep its markets open even if others keep

who give Mr. Clinton credit for open-ing up markets worklwide by his sup-

"I reject the 'turn the other cheek' philosophy," said Lawrence Summers, undersecretary of the Treasury for international economic affairs and a key player on the Amencan negotiating team. The problem is that if we do that, we will never have any political constituency in favor of keeping our own markets open. Instead, we have to do everything we can the weeks we have the constituency that the constituency in favor of keeping our own markets open. Instead, we have to do everything we can to make sure that others keep their markets open, as we have been doing."

If Washington and Tokyo are unable to shift gears, the much forecast collision between two strong powers

may actually take place this time. The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: A Royal Holiday

FLORENCE - One hundred workmen are busily engaged renovating and decorating the Villa Fabbricotti for the reception of Queen Victoria on her arrival here next month. In accordance with the custom of a accordance with the castom of a number of years, Queen Victoria will again this year make a Continental tour during the early spring. The Royal party last year was received so cordially and hospitably by the Florentine authorities that it has been decided to make another visit this year to the same place. The Duke of Aosta will come specially to Florence to receive the Queen on her arrival.

1919: 'Harsh Armistice'

BALE — When opening the German Assembly at Weimar yesterday [Feb. 6]. Herr Ebert delivered a lengthy speech, in which he said that the Provisional Government had derived its authority from the revolution and now placed that authority in the

hands of the National Assembly, at present the sole and supreme sover-eign of Germany. Later, Herr Ebert remarked: "The conditions of the armistice have become indescribably harsh ... the entire Government might be compelled to renounce all further collaboration in the peace negotiations and to leave our adversaries to support the whole responsibility for a new organization of the world."

1944: Helsinki La Raided LONDON - [From our New York

edition: Thousands of Finns fled to-day [Feb. 7] from Helsinki, their capi-tal, which was still smoking after a Russian serial bombing last night which was to their metals and their which wrote for their government a fiery notice to get out of the war. The crisis for Finland appeared nearing a showdown. The Russian raids, involving by a Finnish official estimare, a total of 200 planes, were among the most severe directed against Finland in that country's two wars with Russia within five years.

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At Best, a Very Qualified Optimism

P ARIS — The announcement of Israeli-Palestinian "peace" was meant to be the political set piece of the recent World Economic Forum in Davos, Switzerland. It failed to come off.

I put the word "peace" in quota-tion marks because insofar as the two sides can, at this point, deliver peace, they already have done so by entering into negotiations and accepting a Norwegian-brokered agreement on Palestinian self-rule in Gaza and Jericho. The obstacles

Those elements of the Palestine Liberation Organization under Yasser Arafat's control have held their fire since the declaration of principles signed in Washington on Sept. 13. Those Palestinian groups opposed to compromise with Israel have not done so, nor has the Islamic fundamentalist group Hamas.

But partial peace is better than no peace, and Foreign Minister Shimon Peres of Israel and Mr. Arafat have been negotiating over the details, which unfortunately are very weighty. They concern security for both Palestinians and Israeli sertlers, the latter essential to Israel's withdrawal from Gaza and Jericho. Fundamentally, however, they are dealing with the question of sover-eignty. Are the Palestinians really to be sovereign in their territories?

The two men resumed negotia-

tions in Norway, where they attended the funeral of Johan Jorgen Holst, the foreign minister who was one of several Scandinavians responsible for bringing Israel and the Palestinians together for secret negotiations last year. Talks continued at Davos, where both men had been invited in the hope that the final problems could be solved and Israeli-Palestinian accord could be announced triumphantly to the great and the good, the powerful and rich, assembled there together with a siz-able part of the world's press.

By William Pfaff

Mr. Peres and Mr. Arafat, giving the appearance of being under con-siderable tension, instead told a disappointed audience only that there would be agreement on the security

issues "very soon."
What happened was that the government in Jerusalem had at the last minute objected to certain of the security provisions worked out between the two. Mr. Peres, it is said, is more optimistic about the future outlook for Palestine-Israeli cooperation than are Prime Minis-ter Yitzhak Rabin and some other members of his government. Mr. Rabin was quoted last week as say-ing that he has more trust in President Hafez Assad of Syria than in Mr. Arafat, since in the past the Syrian chief of state has kept his agreements, white no one and Mr. Arafat will be able to keep his. Optimism and pessimism are at the heart of this affair, since both sides have to make an act of trust in the other, in circumstances where

real reason exists to doubt that the other can deliver what it promises. Yasser Aralat's position has greatly weakened in recent years, and his willingness in September to sign a joint declaration of principles on Palestinian autonomy and Israeli withdrawal from Gaza and Jericho automatically drove out of his PLO all those who considered this too

grave a Palestinian compromise. A prudent Israeli must certainly ask what Mr. Arafat really can deliver. A prudent answer might be that he can deliver more if the withdrawal does take place in April, as scheduled, on reasonably generous terms, with the Palestinians enjoying not only the symbols but the reality of sovereignty. But not all agree.
The Palestinians (and the Syri-

ans, since the status of the Golan

Heights is next on the Arab-Israeli

agenda) similarly believe that they could have more confidence in an agreement with Israel if a Likud government were signing for Israel, rather than the fragile Labor gov-ernment of Mr. Shamir. (Israelis

with whom I have spoken are none-

theless convinced that a Liked gov-

ernment would respect any agree-ment made by Mr. Shamir.) However, weakened men are making this agreement. Mr. Arafat does so because Palestinian unity is slipping away and he understands that what now has been offered the Palestinians is more than they are likely to have under any other realistically imaginable circumstances. Mr. Shamir and Mr. Peres are

negotiating because the hard, com-bative and implicitly expansionist policy of successive Likud governments has led only to perpetuated violence and insecurity; and the Is-raeli people, in the last national election, indicated that they have had enough of that and want to try for a negotiated peace.

On neither side, then, does optimism prevail, only a rather desper-ate recognition that only worse alternatives exist to what now is going on. I was present at a recent dinner

with several eminent Israelis, in-

cluding a former ambassador to

the United States, Zalman Shoval.

Midway in the meal the headwaiter came up to Mr. Shoval, the host, to ask the conventional question, was everything all right. Mr. Sho-val replied, "Thus far." I was struck by this remark. which seemed to me a suitable Israeli response to larger questions than the one which concerned the headwaiter. A very qualified opti-

mism is all that Israelis or Palestin-

ians can afford at this moment.

However, that is more than was possible before these talks began, International Herald Tribune. O Los Angeles Times Syndicate.

OPINION

'Rosy Scenario' Is Back, With an Act for the '90s

By David S. Broder

WASHINGTON — It may or may not be welcome news to President Bill Clinton. But the most upbeat analysis of what lies ahead for America, under his policies, comes from none other than David Stockman, the architect of the Reagan administration budgets that the Democrats loved to hate.

Mr. Stockman, now a New York investment banker, was in Washington last week with an economic forecast that he acknowledged is brighter even than

David Stockman now foresees steady economic growth, a sinking budget deficit and health care costs brought under control.

those he produced as Mr. Reagan's bud-get director in the early '80s, which Democrats derided as "Rosy Scenario." At a conference here, Mr. Stockman drew a picture of:

• Steady economic growth through the end of the decade, with little or no threat of inflation.

 A budget deficit sinking to a "comfortable" and infinitesimal fraction of the nation's annual economic output. Health care costs under control, es-

pecially if Congress passes a stripped-down version of the Clinton plan. True, the Stockman forecast was greeted with skepticism by some of the economists, politicians and business leaders at the conference sponsored by the Committee for a Responsible Federal Budget, a private group. To the leaders of that group — whose purpose is prodding Congress and the administration to take further steps to cut federal spending and reduce future deficits — it

was not a particularly welcome message.
As Carol Cox Wait, the director of the group, remarked, "One of my board members said, 'You have to prick that balloon'" of dangerous optimism that Mr. Stockman had floated.

Disconcerting people is almost Mr. Stockman's trademark. He is grayer now than he was as a 34-year-old budget whiz in 1981, but he still has a teenager's zest for intellectual stunts that outrage his elders. Back then, the budget director's eleverness angered congressional committee chairmen twice his age. Even President Ronald Reagan was briefly upset when Mr. Stockman confessed to The Washington Post that he knew his budget-and-tax plan contained many a delicit-swelling "Trojan horse."

But his experience with the Blackstone Group, a high-powered invest-ment outfit, has only enhanced Mr.

Stockman's exuberant self-confidence. From his Wall Street perch, Mr. Stockman looks down on Clintonomics and finds it good. He sees a "2-by-2 economy" through the end of the decade — meaning 2 percent real growth compounding year after year, accompanied by a minimal inflation rate of 2 percent. The "vicious debt cycle of the 1980s" is being replaced by a "virtuous cycle" of personal and corporate debt repayment in the '90s. Business is self-financing both expansion and re-engineering at a rapid rate, without squeezing credit markets.

The result is a "supply-side recovery," in which American firms are again be-coming the world's most efficient pro-ducers of everything from automobiles to semiconductors, leaving the vaunted Japanese behind. As export markets expand in Europe and Asia, this new U.S. industrial juggernant will be superbly positioned to clobber the competition. Inflation is hardly a worry. U.S. firms have added so much productive capacity even while reducing their work forces that there is little upward pressure on wages.

Further, you can expect government policy worldwide to choke off inflation. The great central banks in the United es, Germany and Japan serve "geriatric societies." As populations age, political pressure to create new jobs is replaced by pressure to protect savings. The result: "a mass constituency for

fighting inflation." Budget deficits are soon to join yesterday's worries. Barring war or domestic disaster, the share of the gross domestic product allocated to government spend-ing for each retirement benefits should remain stable, while defense and domestic discretionary programs decline under

Mr. Clinton's budget.

Ahead lies "a long period of fiscal stability," probably running until 2020, when the baby-boomer represent wave has hit. By the end of this decade, the deficit, which the Congressional Budget Office says was 4 percent of gross domes-

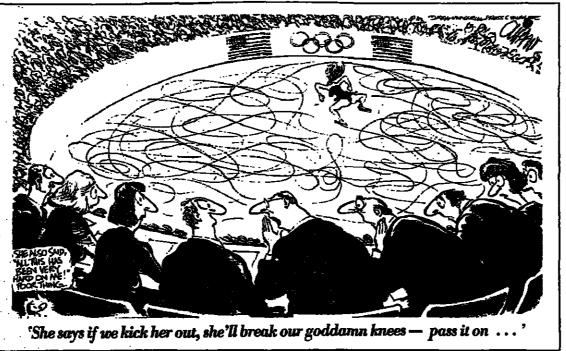
tic product last year, "will settle into a comfortable 1 to 2 percent" of GDP.

Health care is a concern, Mr. Stockman concedes, but not big enough to blow Rosy Scenario away. The essence of the problem is that big employers have extracted large price concessions from the health care providers, but cost-shifting has priced small firms and individuals out of the health care market.

Mr. Clinton's health reform would deal with that by organizing the rest of America into buying pools. The plan will work, especially if it is changed (as Treasury Secretary Lloyd Bentsen al-ready has suggested) to allow thousands of bargaining units, not just a few giant purchasing alliances.

It might work so well, indeed, that the savings will pay for the expected growth in health care bills of the elderly and ent and still provide insurance covcrase for everyone

Thus saith David the Stockman. And you all know about his crystal ball.



LETTERS TO THE EDITOR

Heroes of Sarajevo

Regarding "And So It Continues in Sarajevo, Death by Death" (Opinion, Feb. 3) by Zlatko Dizdarevic:

Even putting aside the persistent good work of Mr. Dizdarevic and his colleagues on the staff of Oslobodjenje, the Sarajevo daily, his article stands as one of the finest examples of journalism ever packed into 600 words. His assurance that he does not hate us, the people outside Sarajevo who read and then forget, the politicians who speak but do not act, gives us no comfort. It was not meant to, nor should it. He is right to pity us for our passive accep-tance. His only error is in saying that "yesterday's heroes" have been reduced to ruins. The heroism of Mr. Dizdarevic, his Oslobodjenje colleagues and the people of Sarajevo will not soon be forgotten.

PHIL DAVISON.

The Bosnia Arms Embargo Regarding the editorial "Encourage the osnians?" (Opinion, Jan. 31):

Not only should the Bosnian Muslims be encouraged to defend themselves, they should not remain gravely and un-fairly disadvantaged in doing so. Lift the arms embargo, and all the futile arguments about air strikes and ground troops can cease. So can the false claims to morality. The Bosnians will defend themselves against slaughter and "eth-nic cleansing" without the intervention of Enrope or the United States.

LEONORE SUHL

Portimão, Portugal. Lifting the arms embargo will do

from their foreign supporters (in addition to the clandestine arms shipments they already receive), the Croats and Serbs would certainly turn to their foreign friends for more arms. Experience shows that pouring arms into a civil war ensures its continuation. From Afghanistan to Angola, terrible wars have been sustained by the "good" intentions of foreign arms suppliers.

NEVEN LEZAIC.

Voices for Restraint

Regarding the Other Comment item
"Small Ways to Save Ourselves" (Opinion, Feb. 2) from the Los Angeles Times: Apart from the ethical problems involved in elderly ladies gleefully profit-ing from deep-frozen embryos, there is the global aspect to consider. If there is one thing this dear planet is not short of, it is members of the human race.

NESTA COMBER. Vence, France.

Two seemingly opposing doomsaying views occur frequently in your pages: The world population continues to grow, while the population of some industrialized countries is graying. The fact is, to solve overpopulation we will have to accept graying, and that will mean accepting temporarily reduced liv-ing standards. But there is little alternative -- except our self-destruction on the sword of overpopulation.

GERALD C. HARDY. Manchester, Connecticut.

North's Giveaway

What a commentary on contemponothing to solve the three way political rary U.S. politics and mores that Oliver dispute in Bosnia and will only intensify North, formerly of the U.S. Marine

and prolong the bloodshed. Were the Corps, can be a serious contender for a Bosnian Muslims to receive weapons U.S. Senate seat. He reportedly feels that "most people don't give a rat's patootie" about the Iran-contra affair (IHT, Jan. 29). As senator, will be propose legislation permitting indicted persons to decide on their own whether their felony is serious enough to be prosecuted? Will it matter to him if he is lied to at Senate bearings?

If nothing else, that "rat's patootie" gives him away. Any real marine knows that is not the right expression.

RICHARD C. ALLEN. Captain, U.S. Navy (retired). Amsterdam.

How the War Turned Out

Jonathan Yardley (Books, Jan. 29) remarks that "we know, now, how the [Cold] War turned out — nobody won ... "Mr. Yardley presumably intends the comment as an ironic witti-cism. Such irony, which pervades the substance of his review, should not be given room. Would Mr. Yardley affect an equally detached irony at the news that the Cold War had been lost?

RALPH BERRY.

It Was Latin to Him

Regarding "Let Us Not Be Shy About It: Tough Criticism Is Our Job" (Opin-ion, Feb. 4) by William Safire:

Mr. Safire, the language expert, thinks "hyperbole" is a Latin word. Perhaps he has never heard the expression: "The Greeks had a word for it." "Hyperbole" is one of those words.

CHRIS G. PETROW. Neuilly-sur-Seine, France. Editor's note: Mr. Safire expresses his regret for that error in a column on this page.

When Knowledge Is Salami And Your Computer Is Wry

By William Safire

HARPERS FERRY, West Virginia Everybody an Aladdin; a personal genie at the service of every human being. cient man invented writing. Five hundred years ago, Renaissance man invented the printing press. Fifty years ago, modern man invented the computer. Five years ago, postmodern man, or person - by concerving of all knowl-

MEANWHILE

edge as a universal salami, sliceable and compressible — put the world of information at our beck and call.

We have not yet felt the impact of that most recent revolution of communication. Here is a way to grasp the potential

of digitization and compression: You know how all the old liberals are demanding huge expenditures on bigger prisons with no exits, to accommodate more and more criminals? Instead of spending all that time and money on more and bigger facilities, what if we could shrink the criminals? We could get a hundred times as many hoodlums into

half the hoosegows.

That is what the salami revolution is already doing with information: slicing and shrinking it so that we do not have to rewire the world or reinvent the wheel. As a result, the old industrial world — based on corporate or stateowned machinery driven by fossil fuel is being quickly replaced by the information world, driven by the inexhaust-ible intellectual energy of the individual. This insight was vouchsafed to me last

week by the French futurologist Joël de Rosnay at the World Economic Forum in Davos, Switzerland. I'm beginning to get what's going on with all these global multimedia mergers and info-highway Gorebledygook. We can deal with it in plain words and homely metaphors.

Picture the face of a clock. At the top, 12 o'clock, is a book; at 3 is a computer; at the bottom, 6, is a television screen; at 9 a telephone. Wind up the clock and watch it become what Mr. de Rosnay calls "unimedia."

Within the first quarter-hour, we have desktop publishing; in the second quar-ter-hour we have the PC-TV, with its ondemand movies and games; coming up toward the telephone at 9:00, we have the videophone, and in the last quarter, between the phone and the book at the top, we have the fax and all the two-way

shopping and researching.
Now stop thinking of all these devices individually and mush them all together. No, you don't get a page of print stuck in a computer showing a movie attached to your ear. No linear plodding, take a leap. You get something that you can tell what to do. Those 10 words are engraved on the key to the Info Age.

I breathed this in wonderment to my son, the software developer, and he hohummed, "You mean the intelligent agent.'" Old stuff to the cutting-edgy.
but to us codgers — a world revealed.

مكذامن المذحل

You program your unimedia device with all your preferences, habits, interests, foibles, capabilities and shortcomings; you command it to learn all the complicated codes to relieve you of the dreary details of communication. You confide to it your bank account and job prospects and arrange for it to respond in

your language, at your educational level.
Then you talk or write to this thing in your hand. "Get me to the holistic medicine seminar in Squeedunk on Tuesday and see if there's a dentist in town." It will reply: "It's cheaper to go Wednesday, which is when the seminar begins, and you can have the aisle seat in the smoking section; after the agenda is faxed to us, I will call the databank for background and brief you on the plane; and whatsa-

and orner you got a toothache?"
Sounds blue-sky, but unimedia is what's happening. Your genie will not make simple mistakes (like rooting the word hyperbole in Latin instead of Greek) or permit memory slips (like forgetting it was Francey Lane, not Dinah Shore, who sang on the 1950s' "Easy Does It"). Tell it to help you find a spouse and it will match your tastes to another's in an intranet, dial up the date and print

out directions to the agreed-on bar.

Dangers abound: President Bill Clinton has cravenly allowed NSA (No Such Agency) to bug the info-highway. Futurethicists wonder if virtuous-reality love can compete with virtual-reality porn. And the big one: how to get our personal genies back in the bottle.

The New York Times.

Tolls on the Road?

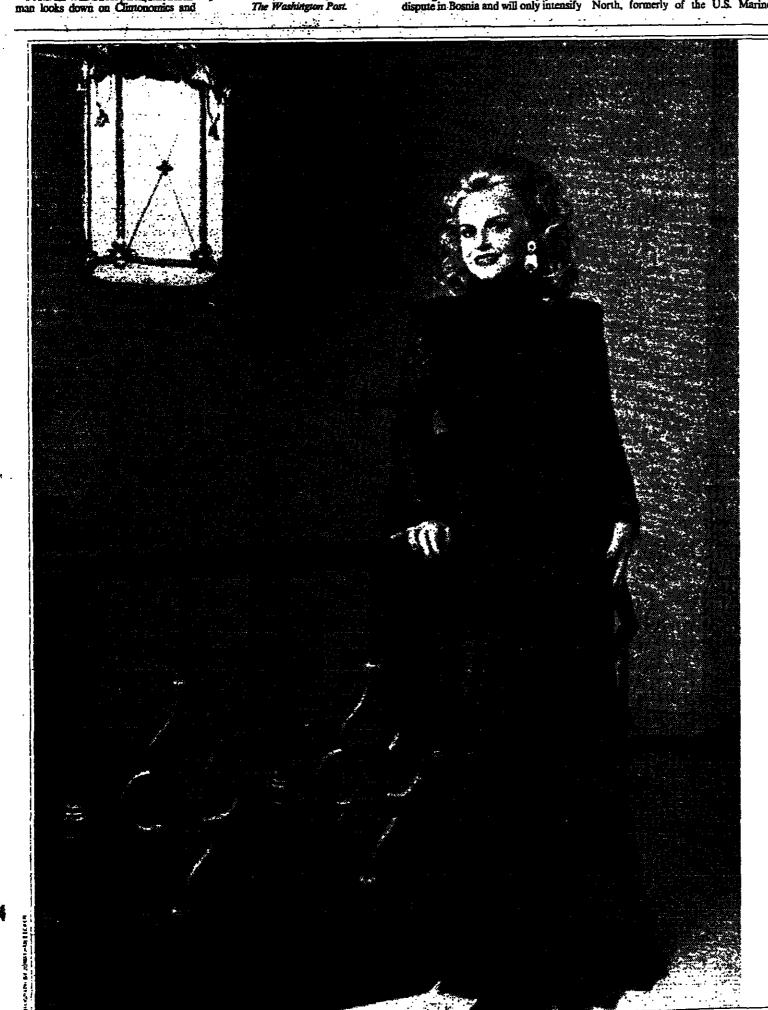
HE INFORMATION revolution is hurling us into unknown economic and social challenges. Those who can afford to tap into the fast-expanding hodgepodge of communications services already enjoy the many benefits. Those who cannot are being left behind.

The Clinton administration has made access to and affordability of the nation's emerging information superhighway a major priority. Vice President Al Gore has outlined the need for miversal service."

Universal service is desirable, much like rural electrification and telephone service. But how is it to be financed?

Should government's role be one of high-tech cop in directing universal service? Should it be a federal investor, as in the electrification of rural America? Should it guarantee the private sector a rate of return in exchange for making access affordable? Or should the private sector provide universal service pro bono? These questions are emerging as the Clinton administration readies a legislative package on telecommunications.

- Los Angeles Times.



Four hundred of the world's most prominent families call Fisher Island home.

There are a few places in the world where people can truly relax and enjoy a remarkable lifestyle.

One of them is Fisher Island.

It is a 216-acre sanctuary of lovely homes, beaches and recreational pleasures. providing the finest amenities in a serene, pampered environment.

Its seaside residences are luxurious and as large as 9,000 square feet, with terraces of an additional 5,000 square feet overlooking the Gulf Stream, Biscayne Bay and the skylines of Miami and Miami Beach.

Created by William K. Vanderbilt II, great grandson of American industrialist Commodore Vanderbilt, Fisher Island has been a favorite of the world's important people for 70 years.

The family's spectacular winter estate included a dramatic home by the ocean filled with antiques from one of Napoleon's palaces. On

Countess Donatella Pecci-Blunt of Fisher Island and Rome. A best-selling enthor, the Countess heads Milanbased Donatella Pecci-Blust Inc.,



the grounds, Vanderbilt erected charming cottages and guest villas amid resplendent gardens and fountains. The mansion and surrounding structures have been restored to their former grandeur as The Fisher Island Club. In recent years, impressive

social and recreational facilities have been added. There is a P.B. Dye championship golf course; an international spa lauded by Town & Country as one of the finest of the 1990s; a racquet club with clay, grass and hard courts; two deepwater marinas which host the largest yachts in the world: a mile of Atlantic beach; and a variety of excellent restaurants.

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shopping plaza with its own bank, post office, trattoria and dockmaster's office; and, perhaps most important of all, an atmosphere of security that allows residents to lead a life of privacy and pleasure.

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The ballerina Mathilda Kschessinska wearing a tiara made by Fabergé, and a silver yachting trophy.

Ins and Outs of the Label Game

ARIS - It was an idea of the extravagant 1980s: a secondary line bearing a designer logo in order to offer the label at a lower price to

But now the concept has changed. A second designer line becomes a first priority. It is meant to appeal to a different audience, to have a separate image, to express the varied range of a creative spirit and a different facet of the designer's personality. Don-na Karan's sporty DKNY range is a prime example of a fashion line that never plays second fiddle.

Christian Lacroix, a designer associated with the luxe of high fashion, launches for next season his Bazar collection, shown last week on young girls with braids in their hair, boots on their feet and an attitude expressing street rather than salon.

Mixing plaid peasant skirts frock coats, ethnic-patterned sweaters and lacy tops that are part of his pantheon, Lacroix gave the collection a gust of country air. berry red were used for the short jackets and wide, cuffed pants, the duffel coats, suede jackets and shearling vests. Nylon coats or quilted jackets with Provençal motifs and simple smocks proved that a designer who had seemed in thrail to opulent fabrics and elaborate decoration can also work on

The idea is to avoid the idea of a secondary line and to look for a different clientele with a different way of dressing so that this collection becomes analogous to the main line," says Robert Bensoussan-Torres, Lacroix's president, charged with expanding the six-year-old company and

turning it to profit. His target is 100 million francs (about \$17 million) sales for Bazar in Europe for its first year, with a later expansion into the Asian and American markets. The line is made by Kenzo, another house in



Lacroix's layered velvet and plaid for his Bazar line.

the fashion group owned by Bernard Amault. This is also part of an internal reorganization where-by Lacroix's leather goods will be made by Louis Vuitton, and a new fragrance, destined for 1995, created with Parfums Givenchy.

The idea of licensing a designer name across the globe went briefly out of fashion during the 1980s expansion, although companies

soon found - Gucci is the prime example - that cleaning up licenses meant reducing royalties. Bensoussan-Torres says that there are now "no more truths."

"Each house makes its own decisions - some for licensing, others for their own production," he says. "But the most important thing is to use creativity to produce salable products.

points of sale in Europe, will price jackets from 2,500 francs, cants from 800 francs and shirts from 700 francs when they go on sale for the fall season.

Sonia Rykiel's Inscriptions line is already established — with her daughter Nathalie as its creative director and driving force. The fall line, shown last week, is sportier and less sophisticated than the main line, and with a distinct personality in its signature knitwear: duffel coats in cuddly bouclette worn over ankle-length floaty skirts; cropped knits bearing the midriff; long

tunics with appliqued patches.

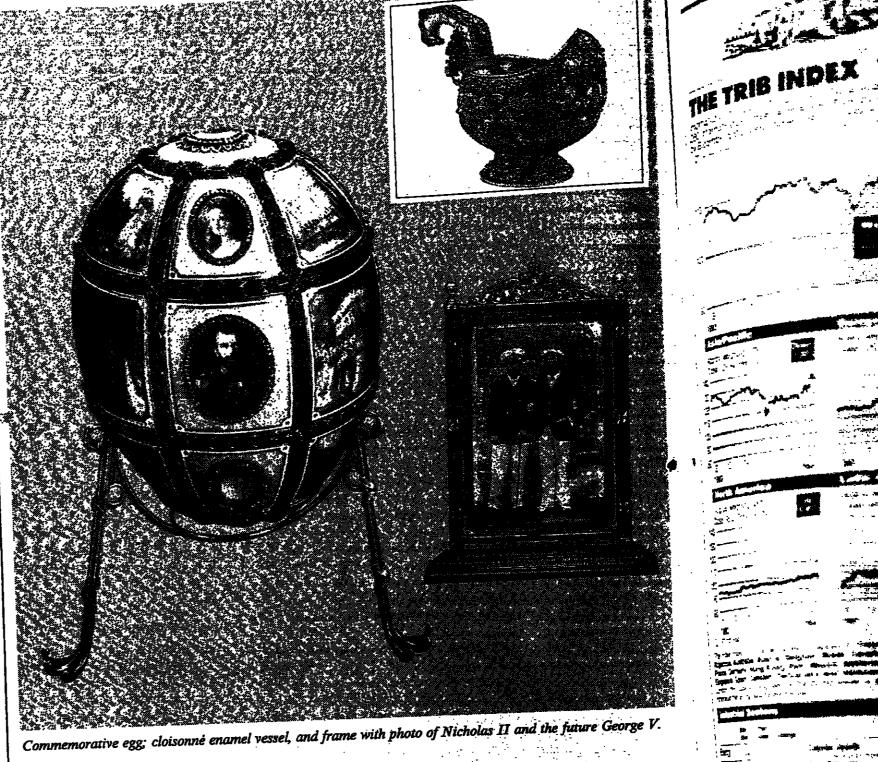
Although hemilines were mostly long or traded for pants, Inscriptions had a youthful, jaunty feel, enhanced by hip accessories like floppy hats and silver boots.

The roots are part of Rykiel. but it's got a different identity and is targeted for a different customer with more casual clothes and more variations in fabrics," says Ry-kiel's Simon Burstein. The line, selling at 30 to 40 percent below signer collection, accounts 10 percent of the business. not want a secondary line duplicating what we do already," says Burstein. That would erode the base by eating into our core business. It needs its separate identi-

However well-planned the second-line strategy, will the cus-tomers buy it? Retailers say off the record that sales are not matching expectations for State of Claude Montana, and there are rumors that Raiph Lauren's recently launched new sportswear line has not soared away.

But the point of such collections is to build up steadily a loyal clientele, as Giorgio Armani has done with Emporio. When a secondary line is so successful that it can have free-standing stores, it has earned its place as first-class fashion.

Suzy Menkes



The Opulent, and Intimate, Fabergé

By Suzy Menkes

ONDON - It would make the perfect St. Valplump red-enamel heart standing thumb-high on a pearl-studded pedestal. A group of women — old and young — are gazing at the gewgaw, which swivels to reveal three heart-shaped frames set with miniatures of mother, father and baby daughter.

Since this is one of those heartsand-flowers objects designed by Carl Faberge, the bearded father, elegant wife and fluffy daughter of a century ago are Czar Nicholas II, his wife, Alexandra, and Grand Duchess Olga — the doomed Ro-manovs in the last flourish of their

opulent dynasty. And there you have in a trinket the size of a nutshell the essence of Faberge's appeal to the crowds who are standing patiently in line at the Victoria and Albert Museum in London, just as they did when the exhibition was shown at the Musée

des Arts Decratifs in Paris last year join the clutter on mantelpieces, as and in its home in St. Petersburg,

Géza von Habsburg, the exhibi-tion's chief curator, "And then there is the nostalgia factor. It represents a still O. K., when all the monarchs were still in situ - and at the same time it is part of the tragic history of the Russian imperial house."

Art critics tend to dismiss Faberge's objects — and especially the menagerie of snuffling pigs, stundy stallions and gen-cyed pet dogs — as kitsch for the rich, finely crafted but ultimately just designed to titillate the bored court of a decadent dynasty. Even von Habsburg, director of the Washington-based Fabergé Arts Foundation, founded in imperial Easter eggs and bought the 1990, admits that he does not take

Faberge "too seriously." "Faberge's art was meant to amuse — they were conversation pieces which fulfilled a function at a time when people were bored," he says. "They were the perfect ambassadors for a particular moment of giving. Once given, the moment of glory was past, and they went to

Malcomson entered Uzbekistan

illegally. His interviews, anecdotes

and copious quotations from ideo-

logical treatises are numbered as if transcribed directly from his note-

books. So afraid is Malcomson of

the label "white writer in danger," which he applies to modern travel

writers, that he refers to himself in

the second person, an awkward de-

vice. When he writes "Do you re-

member the poster above the bed of the young Bulgarian student you

know?" he is speaking to himself,

The key to understanding these

racially and culturally mixed ar-

eas, Malcomson posits, is the indi-

vidual's search for identity (lead-

ing the reader to wonder whether,

in his travels, he were not search-

ing for his own). Not surprisingly,

he found that people who have been the pawns of empires from

time immemorial are hopelessly unsure about who they are and

with whom to cast their lot. His

quented regions now unhappily in

Luree Miller, whose books in-

chide "On Top of the World: Five

Women Explorers in Tibet," wrote

this for The Washington Post.

The V&A exhibition features

just such a table-top collection from Elizabeth's residences: the faithful. hing was rendition of Queen Alexandra's Petal desk clock; enamel photograph frames containing pictures of czars, German princelings and their sailorsuited children - all Queen Victoria's look-alike relatives. Even if the crowd pressing around

the coronet-topped and scarletswagged showcases on Sunday was almost entirely women, it is not true that Faberge appeals only to the female psyche, Malcohn Forbes was a passionate collector of the famous most fanciful and decorative examples: the sugar-pink enameled egg smothered with pearl lilies of the valley and kiding a diamond-framed miniature of the czar and two of his daughters; or the tiny diamond-studded coronation coach in its primrose-vellow egg. The range of Faberee's colors in enamel remains

an artistic wonder. Some of the most aesthetically satisfying objects are the cigarette cases, handsome relics of the days of innocence when smoking seemed dashing and manly. An entire display case is devoted to the collection of Luzarche d'Azay, a French cavalry officer with mysterious connections who left 18 gold cases, traced with enameled foliage, chased with fans and sunbursts, marked with Arabic inscriptions or showing a map of the Valley of the Nile with cabochon gens marking

towns and maybe love trysts. A cigarette case from the British royal collection reveals a vignette of illicit love. A sensoons diamond serpent slithering across deep-blue enamel was given to King Edward VII by his mistress Alice Keppel. At his deathbed, Edward's forgiving wife, Queen Alexandra, gave the case to Keppel as a keepsake. Kep-pel supposedly bequeathed it back to the crown when she died, although an essay in the comprehen-sive catalogue suggests that Queen Mary, Alexandra's daughter-in-law and the current queen's grandmothez, was an avaricious spider gamering Faberge objects from a web of

dispossessed royal relatives. It is the intimacy of the Faberge gifts, the personal messages and in-trigues, the family photographs and the window on a lost world that appeals to the modern-day audience, even when the object itself give or take its precious materials and delicate workmanship — is quite banal, like the bell-push with

its nephrite frog climbing ladder. A tiny watering of berge. The enamel photograph frame with a flourish of ribbons a gift-store copies, but the original has added poignancy when the viewer knows that the family pictured Trade and Ri would be murdered in the Russian

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The Paris

Revolution. The exhibition offers tantalizing insights into other facets of Faberge New documentation has surfaced since the opening up of the former Soviet Union A series of working drawings — all delicate tracery and fancy garlands — re-creates Faberge's jewelry, almost none of which has survived, although there are ice and snow crystal pendants, diamonds set in platinum, on show.

HE archives reveal a different aspect of Faberge's prolific work-shops, which produced 150,000 objects between 1885 and 1918, when they were closed by the Bosheviks, two years before Fa-berge died in Switzerland. For the bourgeoisie, the Moscow work-shops created richly decorated cloisonne enamel boxes with icwelbright colors and Russian heroic imagery. These Faherge pieces, in-spired by his ethnic Russian heritage, are a contrast to the anodyne designs that served as calling cards at international royal gatherings.
Faberge fakes, which von Habs-

burg says have existed almost as long as the real things, are also featured at the V&A show as "Fauxberge." Some such pieces, supposedly anthentic, are in collections at the Kremlin and in American museums. According to a re-Side of Power: The Real Armand Hammer," many of the so-called Faberge pieces were created in the period when Hammer was the con-duit from the Soviet Union to the United States.

After the fall of communism, will more genuine Faberge now surface? Von Habsburg says that he does not rule out the possibility that there could have been Politburo collectors whose collections may now find their way on to the market. The opening up of China (where an egg was found in the Shanghai flea market in the 1980s) may also yield Faberge treasures from those Russians who fled East rather than West.

The exhibition at the Hermitage Museum in St. Petersburg last year will help to rehabilitate Faberge in Russia. The aim of the Faberge Arts Foundation is to restore by the turn of the century the St. Petersburg building where the master-craftsman worked as a museum and education center.

In the West, "Faberge — Imperial leweller," is pulling in the crowds, and judging by the overwhelming weiter of souvenirs in the V&A shop, from postcards to modern recreations of Fabergé eggs selling for £6,000 (\$9,000), you can sell any-thing that approximates Faberge An critics may scoff and sneer, but an adoring public ensures that Faberge is in style more than a century after its creation.

BOOKS

JOURNEY TO KHIVA: A Writer's Search for Central Asia

By Philip Glazebrook. 289 pages. \$23. Kodansha. BORDERLANDS:

Nation and Empire By Scott Malcomson. 250 pages. \$22.95 Faber and Faber.

Reviewed by Luree Miller F OR fans of travel literature there are few greater pleasures than to be guided through un-

known lands by an empathetic, ur-

ban traveler who points out subile

details of place and character and.

with a storyteller's skill, seamlessly links them to a country's colorful and turbulent history. This Philip Glazebrook does with clan in "Journey to Khiva: A Writer's Search for Central Asia."

Glazebrook, an English novelist, leaves The Travellers Club in London, takes the train to Moscow. flies to Tashkent (reluctantly, for he would rather go overland), then drives to Samarkand, Bukhara and Khiva. The time is spring 1990, but Glazebrook's search is for the past, for a thread of continuity in these fabled cities of Central Asia.

As a writer of fiction set in times past, he yearns to find physical remnants of the world his charac-A similar quest, recounted in sitting in chai hans (tea houses).

"Journey to Kars," took Glazebrook in the early 1980s through the Balkans to Kars, an Armenian town on the Turkish border with Russia, where he looked longingly across the Iron Curtain. Now, as a member of the Cold War generation who never expected to pene-trate the heart of Asia, he is filled

with excitement and anticipation. But what greets Glazebrook in Samarkand is a "glittering maelstrom of concrete and glass." In Bukhara his botel rises "in tiers of decks above its lagoon of concrete." And the remaining bit of old Khiva he finds has been reconstructed into a Disney-like theme park. So he ambles through markets and narrow streets, peering into mud-walled courtyards, and

feasts and outings, he finds remnants of the rich, warm, ethnic life the Soviets so ruthlessly attempted to destroy. On ubiquitous wooden benches set beneath shade trees, he reads, watches the colorful crowd, reminisces and treats the reader to stories of 19th-century travelers, poin Russian and English, whose exploits excite his imagination.

It is a leisurely journey, rich in exquisitely rendered descriptions, but not without incident and frustration.

In Moscow Glazebrook is attacked and nearly killed in his hotel room by a man with a knife. The indifference of the hotel staff and the ineptitude of the police are ap-

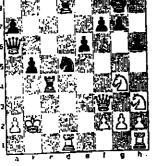
CHESS

ADAMS/BLACK By Robert Byrne M ICHAEL ADAMS turned a timid Caro-Kann Defense **M** • • into an incisive instrument of counterattack, in a game against Kiril 1 2 In the main lines of the Caro-Kann, Black yields his strong point

in the center with 3 de; after 4 Ne4, White gets superiority in central space, while Black digs in on three ranks to keep the opponent from further aggrandizement. The purpose of 6 Ng5 is to avoid an exchange of knights, since re-

duction of material benefits the one in a cramped position. And, on 6. c6 7 Qe2, there arises the threat of 7 N17! K17 8 Qe6 Kg6 9 Bd3 Kh5 10 Qh3 mate. This is easily warded off by

7...Nb6, but after 8 Bd3, Black must not fall into 8...Qd4? 9 N1f3 Od5 (9...Bb4? 10 c3 Bc3 11 Kf1! costs Black a piece) 10 Ne5! Qg2 11 Rf1 Be7 12 Nef3! Qg4 13 Nf7! which gives White a powerful attack for the sacrificed pawn.



Position after 27 Kb2

After 8...h6 9 N5f3, Black knocks out the white center pawn with

9...c5 10 dc Bc5. 12... Na4!? 13 Ne5? would have Rc4, Georgiev could not retreat

been met by 13...Qd4! 14 c3 Qf2. Georgiev tried to slow things down by 13 Bb5, yet after 13...Bd7 14 Bd7 Qd7!, he had no time to seize a pawn with 15 Bh6? because 15...Qc7 16 Bg5 Qb6 17 c3 (17 Bf6 gf 18 c3 Rfd8 19 Nh3 Nc3! 20 Rd8 Rd8 21 Oc4 Nd5 may be White's best defense, but Black's advantage is clear here, too) Ne4 18 Nh3 f6 19 Be3 Be3 20 fe Rac8 21 Rd3 Nac3! 22 be Nc3 23 Rc3 Rc3 24 Kd2 Qb2 25 Kel Rcl wins for Black.

Georgiev failed to realize the necessity for anchoring his knight with 23 f4 to ward off 23... Nac3! 24 bc Nc3 25 Rd8 Rd8 26 Qc2 Be5. Instead, his 23 Ng4" let Adams strike a blow with 23...Nac3!

Maybe Georgiev had overlooked that he could not interpolate 24 Nie because Adams would win his After his 11 Bd2 O-O 12 O-O, queen by recapturing with 24...Nf6. Georgiev saw that Adams could After 24 bc Bc3 25 Bb2 (25 Kb1 dispense with defense in favor of fails against 25...Rc4 26 Qf3 Rb4 immediate counterattack with 27 Kc2 Qa2 28 Kd3 Rd4 mate)

with 26 Qe2 because 26...Bb2 27 Kb2 Rdc8 28 Rd5 Rc2 29 Qc2 Rc2 30 Kc2 Qa2 31 Kc1 Qd5 yields Black a winning queen plus three pawns for a rook plus two knights.

After 26 Qf3 Bb2 27 Kb2, Adams fired the final salvo with 27...Rc2! 28 Kc2 Qa2 29 Kd3 Qc4. Georgiev saw that 30 Kd2 Nb4 31 Ke! (or 31 Ke3) ends in 31...Nc2 mate and he gave up.

> CARO-KANN DEFENSE 16 Kbl 17 Bci 18 Oct 19 Kal 19 Kal 20 Ci 22 Nei 22 Nei 24 Bc 25 Ci 25 Kbl 25 Kci 26 Kci 27 Kci 28 Kci 28 Kci 28 Kci 28 Kci

Here, and at some memorable from recalling similar tales from asts and outings, he finds remearly travelers. "Only as an extension of the past does the present cease to be a chaos of unmeaning is his book's theme. All difficulties, as Glazebrook

says, were worth the joy of simply ing in Central Asia, to see the mountains, the steppes, and the cities where Russia and Great Britain played the Great Game for the prize of empire.

Now that that spy-laden round is over, old ethnic rivalries have re-surfaced, a new Russian demagogne calls for reconquest, and another version of the Great Game may be steaming up. We are lucky to have Glazebrook's observant palling Gravely shaken, Glaze-brook gleans some small comfort with an excellent annotated bibliography and index.

An American, Scott Malcomson, records his trips in 1991 and 1992 to Uzbekistan and the Balkans quite differently in "Borderlands: supporting evidence provides in-teresting insights into these unfre-Nation and Empire." Malcomson is a hip young journalist in a hurry.

Born in 1961, he is now a senior editor at the Village Voice and, according to his book jacket, learned the languages of Romania, Bulgaria, Turkey and Uzbekistan for his travels, surely a dazzling feat to accomplish in so short a time

WHAT THEY'RE READING • Christopher Burke, creative di-rector for Burke & Partners, a brand identity agency in Paramus, New Jersey, is reading "Winesburg, Ohio" by Sherwood Anderson: "There's no real story content, but I like the minor images. Anderson admits where he doesn't have the capacity to explain something to you, and I like that.

(K. Neil Cukier, IHT)

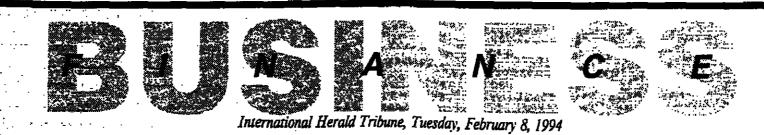
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SPRING SUMMER **ESCADA**



International Herald Tribune World Stock Index 6, composed of 280 Internationally investable stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 ≈ 100. Close: 128.94 Prev.: 130.50 Approx. weighting: 5% Close: 149.68 Prev.: 149.95 skraffa, Austria, Belgium, Bra any, Hong Kong, Rely, Medo London, the Index is composed of the 20 top otherwise the ten top stocks are tracked. 114.23 115.11 -0.78 114.38 114.32 +0.05 121.74 122.32 -0.47 119.87 121.72 -1,52 Consumer Goods 101.06 101.35 -0.29

Japanese Shift Gears in U.S. Market To Stay in Race, They Stress New Models and Strategies

By Andrew Pollack New York Times Service

TOKYO - Japanese auto executives do not have to be reminded about Chrysler Corp.'s new Neon, the small car with the low price that has been dubbed a "Japanese-car killer."

It is but the latest threat to Japan's auto manufacturers, which these days find themselves in the unaccustomed role of being on the retreat in a growing American market. But the Neon has already been recalled twice because of defects, a portent perhaps

EU car sales rise but the picture is still grim, especially in Germany and Italy. Page 11.

that any notion of knocking out the Japanese

"We haven't been killed yet," said Nobuhiko Kawamoto, the president of Honda Mo-tor Co., when asked about the Neon.

Indeed, Japanese automakers are taking steps to regain the share of the U.S. market they lost over the last two years, or at least to stop slipping further.

They are planning new models and trying to plug holes in their product lines in minivans and sport utility vehicles. They also are slashing costs at home and shifting production to the United States in an effort to hold down prices in the face of a rising yen.

Doubt that the Japanese can come back is

dispelled by looking at Nissan Motor Co.
After losing ground in the American market
for a decade, Nissan's sales in the United
States shot up 17 percent last year on the basis of its hot-selling, made-in-America Altima sedan. Its market share rose to 4.9 percent from 4.5 percent, making it the only Japanese company that gained share. "Based on the Nissan experience, Detroit

strikes in Western Germany's key antomotive, electronics and metal-

antomotive, electronics and metal-working industries are expected to expand Tuesday after the country's

nothing we can do, said Norbert Wrobel, chief negotiator for IG Metall in North Rhine-Westphalia

biggest union and employers broke state, Germany's industrial heart-off talks Monday without reaching land.

will very quickly be faced yet again with a significant challenge from Japan," said Ste-phen Usher of Kleinwort Benson Securities

But other analysts were more pessimistic, saying the Japanese companies would have difficulty. Because of the high exchange value of the yen, analysts estimated a Japanese car was \$1,500 to \$3,000 more expensive than an equivalent American model.

Some Japanese executives disclaim much interest in market share and say they would be content to see their sales rise, even if not as fast as the overall market.

Toyota says it is looking to sell the same number of vehicles in the United States this year as in 1993, meaning that its share would slip again - from a current 7.4 percent if the overall market grows robustly as expected.

Japanese companies may not want to portray themselves as threats at a time auto trade

negotiations are at a crucial juncture.
But statements of such limited vistas also suggest that the Japanese, with their profits taking a shellacking from the slump at home and in Europe, cannot afford to cut prices in

the United States to gain market share. Some think they might have to keep raising prices. While the yen's rise was perhaps the main reason that Japan's overall share of the American car and light-truck markets slipped for two years — to 23.1 percent in 1993 from 25.7 percent in 1991 — there are two other

One is the improvement in the quality, design and cost competitiveness of the cars made by General Motors Corp., Ford Motor

Co. and Chrysler. The other is that the Japanese companies missed out on the boom in pickup trucks, minivans and sport-utility vehicles, which

See CARS, Page 11

The IG Metall board, which

meets Tuesday, was therefore un-

likely to unilaterally declare the

IG Metall represents roughly half the 3.6 million workers in

Western Germany's metalworking

German industry has been hit by

strikes in the past 10 days. Politi-

cians from across the spectrum

have urged the union and employ-

ers to avoid a strike just as German

industry is beginning to recover

The employers' federation,

which represents most of the com-

panies in the automotive, electronics and metalworking industries, is

demanding a cut in vacation bene-fits and overall pay as well as added

flexibility in the number of work-

The union is seeking a 6 percent

talks a failure.

industries.

New German Strikes Loom as Talks Fail

"With such employers there is

Asked if strikes were unavoid-

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Many large West German com-

panies have reached agreements

with their workers, but the small

for greater collective savings.

■ Union Assails EU Plan

for information and consultation,"

with a cutback in companies' obli-

U.K. Chancellor Rejects Pound's **Return to ERM**

By Alan Friedman senonal Herald Tribune

LONDON - Kenneth Clarke. Britain's chancellor of the Exchequer, on Monday called the timetable for European monetary union "unrealistic" and ruled out the return of the pound to the exchange rate mechanism before 1997.

Mr. Clarke, in his most explicit statement on the subject to date. said that he did not "foresee a situation where Britain will re-enter the ERM in this Parliament."

Unless a general election is called, the British legislature could run until 1997.

"I do not believe in revisiting the scene of the disaster," Mr. Clarke said, referring to a return of the pound to the system from which it was withdrawn in September 1992.

He rejected exchange-rate bands as no longer relevant and called instead for economic convergence based upon inflation and budgetdeficit targets among those European nations seeking a single currency.

While insisting that Britain intends to play a role in the monetary union stage of the Maastricht trea-ty, he added. "I am not at all sure the ERM will, as presently constituted, ever be back on course." Mr. Clarke also said on Monday: The quarter-point increase in

short-term U.S. interest rates by the Federal Reserve Board on Friday would have no impact on British interest rates, which economists expect to decline at least half a point this year. • Recession in France and Germany is "slowing down" the pro-

By Brandon Mitchener talks in Cologne was likely to result to resume negotiations later this in more work stoppages. But both sides expected more talks.

The more work stoppages. But both union's top leadership.

The more work stoppages are to resume negotiations later this pay raise but has said it was willing to compromise in exchange for job security. The union has rabuffed on security. gress of Britain's economic recovery. and Europe needs to achieve greater flexibility in its labor markets in attempt by employers to cut wages order to regain competitiveness. by 10 percent by dropping vacation European governments need

to reduce state aid to industry and proceed with their privatization programs. • The loss of the last domesticaland medium-sized companies that ly owned volume car maker in Britmake up the bulk of Gesamtme-

tall's membership are holding out ain as a result of last week's purchase of Rover Group Baverische Motoren Werke AG of Germany was irrelevant. IG Metall said on Monday that "I am delighted that the Gerwas against European Union mans found a British company to

proposals to weaken the rights of be so attractive," Mr. Clarke said. vorks councils in EU countries. Western aid to Russia is essen-Reuters reported from Frankfurt. tial in order to support political Klaus Zwickel, IG Metali's pres- stability, but Britain wants the Inident, criticized revised plans to ternational Monetary Fund to machange the concept of a "European date conditions before handing out

works council" to a "mechanism more mone Nigel Lawson, Mr. Clarke's predecessor, remains "a contender" gation to inform the council of for the post of secretary-general of the Organization for Economic Co-

operation and Development, even though the U.S. administration has publicly backed Donald Johnston, a prominent Canadian politician.

The term of the current OECD chief, Jean-Claude Paye, expires in

Mr. Clarke said he would try to persuade Washington to reconsider, adding that the Paris-based research organization "needs heavy-weight political leadership if it is to

re-establish itself." Mr. Clarke, who warned of "the danger of economic growth without full employment," nonetheless rejected the idea of macroeconomic policies specifically designed to trigger job creation and stimulate

See CLARKE, Page 10

Sculley Quits As Chairman Of Spectrum

NEW YORK - John Sculley resigned Monday as chairman and chief executive of Spectrum Information Technologies Inc., the embattled wireless data company he joined in October after nearly a decade as the top executive at Apple Computer Inc. Observers had raised questions

when he joined the little-known company, and uncertainties grew, including questions about executives' stock dealings, a government investigation and finally, on Monday, news that the company had been overstating its profits.

Stock in the company, which developed technology to send data through cellular telephones, tumb-led \$3.313 per share in over-the-counter trading Monday, to \$2.25. Mr. Sculley, 54, said that recent

events made it clear that he was misled about the company before he was hired. He said he had filed a suit in U.S. District Court in New York against Spectrum's president, Peter Caserta, connected "to the induced to join Spectrum, to my obvious detriment

The company had no immediate

Spectrum's stock had been trading above \$7 two weeks ago but was weakened by rumors that Mr. Sculley would leave. Spectrum and Mr. See SCULLEY, Page 11

125.79 127.21 -1.12 Miscellaneous Both IG Metall, the union, and Gesamtmetall, the employers' be said, "The signs are very bad." But Gesamtmetall's president, make progress on key issues in the Hans-Joachim Gottschol, offered For more information about the locies, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gatille, 92521 Neully Cedex, France.

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Trade and Rights: Time for a Divorce

By Reginald Dale ed Herald Tribune ASHINGTON - Now that President Bill Clinton has finally mostered the courage to ead the U.S. trade embargo on Vicinam, he should not stop there. The next, and ultimately much more important, step must be to regularize trade relations with China.

Thinking Ahead /Commentary

That means ending the anachronistic and potentially protectionist arrangement under which China's access to the American market is linked to its record on human rights.

The policy, like the Vietnam embargo, owes more to domestic political pressures than to any soher assessment of America's interests. It makes a nonsense of Washington's avowed aim of admitting China as a full member of the world trading system.

It is pretty clear that Mr. Clinton wants to slip out of this corner, into which he unwisely painted himself in his presidential election campaign. But for the moment, he is making matters worse.

In recent days the administration has ransmitted a series of high-level warnings to Beijing that Mr. Clinton would be obliged to suspend China's most-favored-nation status. when the time comes to renew it in June unless China makes much greater progress on respecting human rights.

Ironically, the toughening of the adminis-tration's position comes just as Congress seems more inclined to end the link between the two issues, largely because of its potentially damaging impact on American business. It is also argued, correctly, that instead of gestures on human rights, Mr. Clinton ought to place priority on emisting China's

1 To 100

help in thwarting North Korea's nuclearweapons program.

It is not just American business and American interests that are at stake. In an age of global markets, it is dangerous for everyone if trade between two such enormous economies becomes subject to the whims of one political party.

Mr. Clinton seems to have failed to see the

main point of the Uruguay Round, which he trumpets as one of his principal achieve-

It is dangerous for trade relations to be subject to political whims.

ments. The idea is to lay the foundation for a global economy by setting multilateral rules

China wants to join that system, preferably as a founding member of the World Trade Organization that is to replace the General Agreement on Tariffs and Trade next year. The United States, in theory at least, supports that aspiration by Beijing.

What Washington seems to be forgetting is

that when China joins the club, it will be difficult if not impossible for anyone to suspend China's most-favored-nation treatment on the basis of its human-rights performance.
Although the ingenuity of Washington trade

lawyers in finding loopholes should never be underestimated, there simply are no interna-tional rules under which human-rights viola-tions can be used to justify trade restrictions. In any case, you would have to be crazy to think it is a good idea to suspend China's

most-favored-nation status, which gives its exports the same low tariffs as America's other major trading partners. Senator Max Baucus, Democrat of Montana, called it the trade equivalent of a nuclear bomb, annihilating % percent of China's exports to the United States, worth about \$40 billion, virtually overnight.

The fallout would not stop there. Where would all those exports go? The effect on Hong Kong, Taiwan and other big investors in China would be devastating.

The point about nuclear bombs is that if

you use them, it means your policy has failed. China would immediately retaliate, locking the United States out of the world's biggest new market. Expansion of the Asia-Pacific economic cooperation process, one of the major international initiatives of Mr. Clinton's first year, would be jeopardized.

There are other ways Mr. Clinton can put pressure on China: holding up World Bank loans, canceling high-level meetings and other forms of cooperation, and withholding technology as in the recent ban on satellite sales.

Since September, when Washington suddenly realized it was heading for a confrontation with China. Mr. Clinton has moved U.S. policy in most areas back to the much more todating stance of his predecessor,

Now, presumably, he hopes that by making a lot of noise on human rights, he will persuade Beijing to do enough to justify re-newing its most-favored status. It would be best for everyone if trade and human rights could thereafter be disconnected.

The overriding priority must be to integrate long run, that will be best for human rights too.

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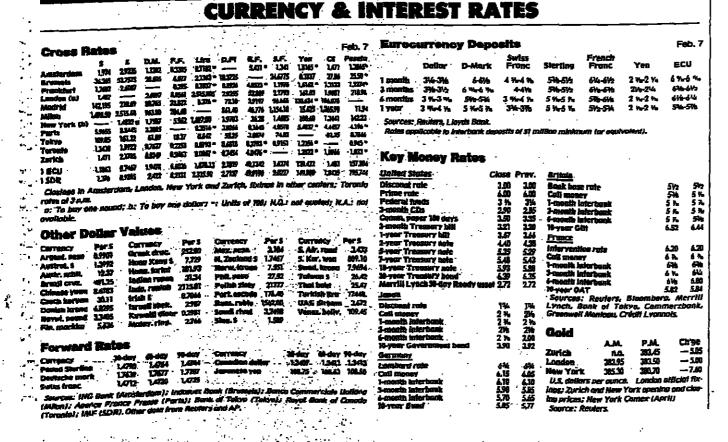
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Dow Jones Averages

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NYSE Indexes

NASDAQ Indexes

AMEX Stock Index

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Dow Jones Bond Averages

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Dollar Falls Slightly After Friday's Gain

NEW YORK — The dollar was slightly lower in thin trading Monday afternoon, giving back some of the big gain it made Friday after the Federal Reserve Board moved to raise short-term interest rates.

As trading ended, the dollar was quoted at 1.7587 Deutsche marks. off from its two-and-a-half-year

Foreign Exchange

high of 1.7610 DM on Friday, and at 108.60 yen, compared with 109.25 yen before the weekend.

Amy Smith, senior foreign-exchange analyst for the IDEA con-sultancy in New York, said the dollar was "taking a rest from its sharp rise" but that the trend for the currency was still upward. She said she expected it to "test and breach" I.77 DM early this week.

A dealer at First Boston Corp.. said the dollar had started to bounce back against the yen after Lawrence Summers, the U.S. undersecretary

with any Treasury view or position we are working on." Mr. Bergsten has previously been seen as an unofficial spokesman about economic matters for President Bill Clinton. Although the trader said the The Dow

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NYSE Most Actives

AMEX Most Actives

NYSE Diary

Amex Diary

NASDAQ Diary

market was skeptical of the Treasury's denial that it "was or is trying to manipulate the dollar/yen rate," he said there seemed to be "a growing trend" of distancing itself from Mr. Bergsten's remarks.

Against other currencies, the dollar was down to 1.4685 Swiss francs from 1.4725 francs but rose to 5,9620 French francs from 5.9610. The pound rose to \$1.4832 from \$1.4825.

The Swiss franc gained against both the dollar and the mark after Hans Meyer, a vice president at Swiss National Bank, said there was "not much" room for further

MARKET: Blue Chips Rebound

icates of deposit.

"Historically, this differential is reversed by a decline in stock prices, so what happens to psychology in the next few months is crucial," he said, comparing the precial," he said, comparing the pre-sent situation to 1962, also a

N.Y. Stocks

period of low dividends, steady economic growth, and low inflation—and a 27 percent decline on Wall Street from Feb. 16 to June 22 "for no apparent reason."

"People just stopped buying." Technical analysts disagreed, and so did some of Wall Street's biggest securities houses. Goldman, Sachs & Co. recommended that investors look for bargains, increasing stock portfolios from 65 to 70 percent for pension funds and 70 to 80 percent for aggressive in-

vestors. Laszlo Biryini, a consultant in Greenwich, Connecticut, and former market analyst for Salomon Brothers Inc., shrugged off Friday as a blip — the latest of about eight since 1986. Half of them, he pointed out, occurred on a Friday because some portfolio managers dump stocks in market upheavals and then go off to enjoy the week-

cuts in Swiss interest rates. Gold prices, which tend to rise with inflationary expectations, fell as the Fed's interest-rate move was viewed as a pre-emptive strike against inflation. On the Commod-

ans, said statements by the economist C. Fred Bergsten calling for the dollar to trade in a range of 90 yen to

Continued from Page 1 cent - below interest rates on money-market accounts and certif-

solidation," he said.

■ IBM and GM Active

turing stocks after Friday's plunge, betting that a stronger economy would be bullish in the long term for those issues. Bloomberg Business News reported.

IBM topped the New York Stock Exchange's most-active list, rising 24 to 54% after being named one of the most popular stocks among institutional money managers.

Alcoa and General Motors also were active, with Alcoa gaining 1% to 78 on buy recommendations from Lehman Brothers strategist Elaine Garzarelli.

dex climbed 1.91 points to 779.20, led by Apple Computer, which jumped 3 to 361/2 after a trade magazine reported the company's new In his analysis, marginal invesors took profits Friday and now be priced below competing models.

He would not say whether he Mr. Clarke is to begin a two-day cized hard line on rates too rapidly.

will be able to take their cash back into a rising market because they do not have to pay tax on the mon-ey until April 1995. "This is a shortterm decline for digestion and con-

But Robert Walberg, of MMS International, who several months ago predicted the dive last week almost to the day, disagreed and predicted a decline of 20 percent to 25 percent in stock prices during the next six months or so, with the Dow falling back to the level of 3,000 to 3,200, where it was in mid-

Investors returned to manufac-

The Nasdaq over-the-counter indemand. He added, however, that

CLARKE: Chancellor Rules Out Return of Pound to ERM Before 1997

tary policy. Paris, he said, had decided to keep to its franc fort policy mass employer it once was.

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highest real interest rates in Eu- which he is to meet with Prime Min- Mr. Clarke, who has been sug-

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Time Warner Turns Quarterly Profit

And the second second

NEW YORK (Bloomberg) — Time Warner Inc. said Monday it earned a net \$7 million in the fourth quarter but lost \$221 million for all of 1993. The entertainment and publishing giant said the quarterly results compared with a gain of \$68 million a year ago. For all of 1992, Time earned \$86 million. The 1993 loss included a \$70 million charge for a change in income. change in income-tax law and a \$57 million loss on early debt retirement. Fourth-quarter results exceeded analysts' expectations. The company said revenues in the fourth quarter rose to \$1.96 billion from \$1.87 billion.

Lockheed Nondefense Work Grows

CALABASAS, California (Reuters) - Lockheed Corp. said Monday its non-defense businesss grew to 36 percent of its total sales in 1993, up three points from 1992's 33 percent. Sales to foreign countries for the year ended December 26, 1993, rose to 13 percent of revenue from 8 percent a

Overall, for the fourth quarter, the defence industry giant earned \$135 million, or \$2.13 share, on sales of \$3.7 billion, up from net income of \$119 million a year earlier, or \$1.95 share, on \$2.9 billion in sales. For the year, income rose 21 percent, to \$422 million, as sales gained 29 percent,

1993 was an outstanding year for Lockheed," said Daniel Tellep, the chairman. "We had a solid increase in earnings, generated substantial cash flow and significantly reduced outstanding debt." He added, "Our strong cash flow and rapidly improving debt position give us the flexibility to explore other means to enhance shareholder value, including strategically and financially attractive acquisitions."

Alitalia and Continental Talking

ROME (Bloomberg) - Alitalia Airlines and Continental Airlines are discussing a possible alliance, an Alitalia spokesman said Monday.

But the spokesman would not confirm Italian newspaper reports that
the airlines have agreed on sharing trans-Atlantic routes and integrating their sales and reservations systems.

Such an agreement would provide Alitalia passengers with easy links to U.S. cities beyond the main cities where it already flies and would give Continental access to cities in Europe, the Middle East and Africa served

Morgan Stanley sets up Africa Fund

JOHANNESBURG (Renters) - Morgan Stanley & Co. has established a \$228 million fund to invest primarily in African securities, with South Africa the chief focus, its local banking adviser said Monday.

The Morgan Stanley Africa Investment Fund will be the first U.S.registered closed-end mutual fund listed on the New York Stock Exchange that invests primarily in African securities.

Motorola Wins Kuwaiti Contract

ARLINGTON HEIGHTS, III. (Renters) - Motorola Inc. said Monday it won a \$32 million contract to set up the first nationwide digital ceilular telephone system in Knwait.

The contract is Motorola's third in the Middle East, following Qatar

and the United Arab Emirates. The system will accommodate 50,000 subscribers, beginning with 30,000 by the third quarter, Motorola said.

T2 Added to 3-Way Medical Merger

ATLANTA (Bloomberg) - T2 Medical Inc. and three rivals announced a \$550 million merger that would create the nation's second-

largest home infusion therapy company.

T2 will join a previously planned meager of Curaflex Health Services Inc. of Ontario, Calif., Health Infusion Inc. of Miami, and Medisys Inc. of Edina, Minn., to form Coram Healthcare Corp.

The new company, which will provide nutrition and drugs intravenously to patients in their homes, is expected to have annual revenue of about \$500 million. The transaction, scheduled for completion by June, will give T2 shareholders ownership of about two-thirds of the new company.

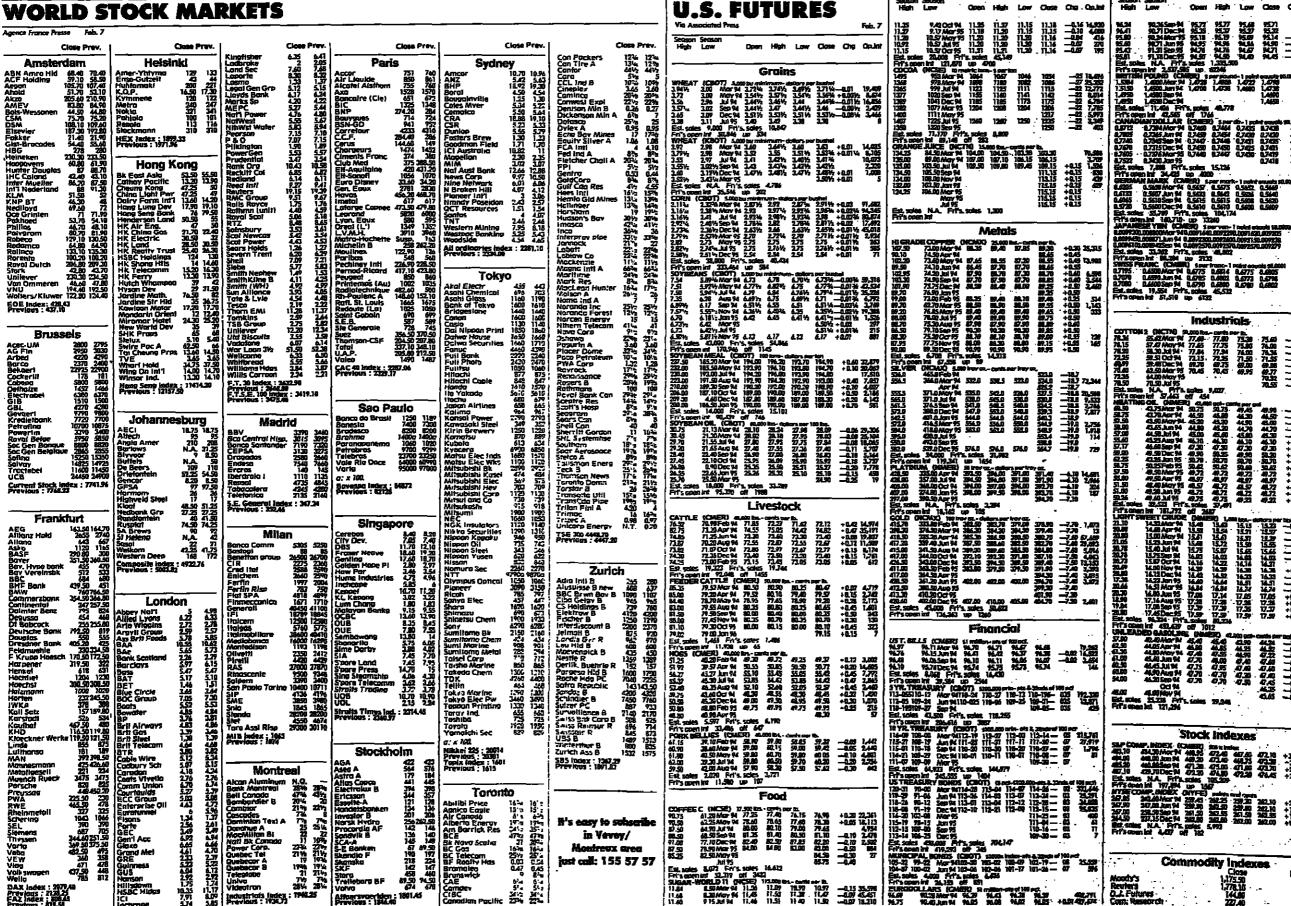
Weekend Box Office

The Associated Press

LOS ANGELES - "Ace Ventura, Pet Detective" topped the weekend box office, earning an estimated \$12 million. Following are the Top 10 moneymakers based on Friday ticket sales and estimated sales for Saturday and Sunday.

'Ace Venturo, Pet Detective"	(Warner Brothers)		512 mHJon
'Mrs. Doubtfire'	(TwenHelh Century-Eax)	•	. S&J million
Philodelphio"	(TriStor)	-20	\$5.7 m///lon
'My Futher, the Reco	(Touchstone Pictures)		SSÁ testáliton
"Schindler's List"	(Universal)		\$5 milition
	- (Columbia Pictures)	.:.	. \$48 milition
"Grumpy Old Men"	(Womer Brothers)		\$4.7 million
"Blink"	(New Line Cinema)		S3.9 million
Astronociino.	(Poromount)	-	\$2.3 million
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Germany and Italy Lag as EU Car Sales Rise 7% for Month

Compiled by Our Staff From Dispatches BRUSSELS -- Car sales rose in Europe in January but demand remained weak and Germany and Italy, Europe's largest markets, are

heading for trouble, analysts said. January new-car registrations in the 12 countries of the European Union rose 7.0 percent, to 961,840, from 898,940 a year earlier, the European Automobile Manufacturers Association said. But last year's figure had been down 28 percent from 1992 because buyers had rushed to buy cars in December before taxes increased and rebates ran out,

Car sales in January in Western Europe, which includes the 12 EU countries, Austria, Switzerland and the Scandinavian countries, rose 6.3 percent, to 1.03 million, from

West European car sales, down 15 percent for all of last year, still are predicted to be flat or only 2 or 3 percent higher this year, despite the January increase.

"That's a relatively encouraging number only because it's positive," said François Colli, an analyst at Paribas Capital Markets. "Germany is a bit disappointing, however." He predicted German sales would be flat this year.

An official with the European Automobile Manufacturers Association, commenting on the 6.3 percent West European increase, said, "It's the first indication that, hopefully, the recession is leveling out." However, he also said the improve-ment was not dramatic because it a year for sales to pick up through-However, he also said the improvereflected an increase over a particularly bad January 1993.

German sales in January rose 26 percent, to 244,300 cars, from 238,200, but sales had plunged 28 percent in January 1992 because buyers had rushed to buy cars in December before taxes increased and rebates ran out.

"The domestic market will continue to be weak and orders still are showing no sign of improvement" said Jurgen Melzner, an analyst at Deutsche Bank, who predicted German sales would fall 4 percent this year. "The only encouraging numbers are that German car export demand is growing."

The export market for German cars, including Volkswagen, Mercedes-Benz and BMW models, is picking up thanks to demand in the United States and signs of a revival for top-of-the-line new models in Japan, analysts said.

Car sales in Italy fell 10 percent in January, following a 20 percent drop in all of 1993 and a 14 percent drop in January 1993. Falling family income worries about rising taxes and cantion ahead of next month's national elections are stunting demand, said Anfia, the Italian car association.

British monthly sales now surpass Italy's, thanks to an 11.6 percent rise in 1993 and a 20.4 percent rise this January.

"The U.K. has a good, stable recovery, and that's comforting in the long-term for other countries," Mr. Colli said. "But if we've

(Bloomberg, Reuters)

Sellers Emerge in Europe

By Erik Ipsen

International Herald Tribune
LONDON — European stock markets reacted sharply Monday to Friday's quarter-point rise in U.S. interest rates, but analysts generally said this did not signal a turn to a bear market.

"A quarter of a percentage point should not move markets, but it was very important from a psychological point of view," Matthew Merritt, a stock market strategist at NatWest Markets in

In London, the Financial Times-Stock Exchange index of 100 shares fell 99 points in early trading before regaining some confidence after Wall Street showed early strength. It still closed with a loss of 56.30 points, or 1.60 percent.

Elsewhere, the DAX index in Frankfurt fell 2.75 percent, the CAC-40 index in Paris was off 1.81 percent, and most other major European markets fell I percent to 3 percent. The European component of the International Herald Tribune World Stock Index fell 1.83 percent.

But many analysts viewed the sell-off as minor and perhaps even overdue. "In the context of seeing markets rise nonstop over the last year and a half, I would not consider this reaction severe," Rob Sweers, equity strate-gist at Paribas Capital Markets in Amsterdam, said.

Many said they saw no reason to fear the U.S. interest-rate increase would have any impact on Germany's long-anticipated rate cuts. Those cuts, however, are considered likely to be delayed at least another month because of recent growth in the German money supply.

Belgium Cuts Rates Anyway

Compiled by Our Staff From Dispatche

BRUSSELS - Interest rates in the European Union can come down despite the rise in U.S. short rates, rinance Minister Philippe

Maystadt of Belgium said Monday.

He spoke after Belgium's central bank, against expectations, cut its key lending rates earlier in the day. The bank trimmed its central rate for money market lending by 0.15 percentage point to 6.70 percent and its regular overnight interest rate by 0.15 point to 8.20 percent. The Federal Reserve Board-engineered increase prompted speculation that hoped-for cuts in European rates might be delayed.

But Mr. Maystadt said there was no threat in the change in relative currency values. "We consider that a certain appreciation of the dollar against European currencies is justified," he said. (Reuers, AP)

"I wouldn't see it having any impact on the timing of the next German move," Michael Burk, currency economist at Citibank in London, said.

The big worry facing Europe-an investors is what a slight rise in American interest rates will mean to Americans' appetite for European shares. Last year, an estimated \$130 billion in investment money flowed out of the United States and helped to push up stock and bond prices from

Seoul to Stockholm. But with some analysts in Europe now predicting that U.S. interest rates will rise by as much as 1.5 percentage points over the coming year, there is concern that Americans could lose their

liking for overseas investments. Some, however, saw a positive side to the unexpected timing of the Federal Reserve Board's move, which generally had not been expected until a few months later. By not waiting for hard evidence of a resurgence in inflation, they said, the Fed may have staged a pre-emptive strike.

"By acting early, they have avoided the need for an all-out war against inflation," Mr. Burk

Still, with American interest rates now at last headed higher and European rates still on a downward path, an important threshold in the long bull market has been passed. Mr. Sweers of Paribas said he did not think European investors would easily shrug off the U.S. rate move.

Although he insisted that eager buyers still were waiting in the wings, he said, "I expect that investors will get more cautious and that companies will have to provide better evidence that their carnings are indeed improving."

That in itself would represent major change of stance. By most estimates, German shares, for instance, are now trading at prices averaging a high 30 times last year's corporate earnings. Meanwhile, the German economy remains deep in recession. and the Bundesbank shows no hurry about cutting rates to bring it off the bottom.

KKR Starts Venture In Europe

LONDON - Kohlberg, Kravis, Roberts & Co. is establishing its first West European venture-capi-tal company under the leadership of Ian Martin, who resigned Monday as nonexecutive deputy chairman of Grand Metropolitan PLC. Mr. Martin will be chairman and chief executive of Kohlberg Kravis's Glenisla Group, which will concentrate on investing in Western European companies.

Mr. Martin, 58, was at Grand Metropolitan for 14 years. He led the company's acquisition of Pillsbury Co. in 1988, and helped the U.S. food company increase its profits by 50 percent in 1990. Kohlberg Kravis has about \$2 billion available for equity invest-

ment worldwide on which Glenisla "What differentiates us is that we could make a £300 million deal or buy a number of smaller opera-

tions and string them together." Mr. Martin said.
Once acquired, the acquisitions would be placed under Kohlberg Kravis's management. Mr. Martin

said he would then work as the chairman of the acquired company. "We are looking for situations where we can either identify or create value through restructuring and company turnarounds," he said.

There may be situations where we

see value, but that value has to be

drawn out. Mr. Martin's departure from Grand Metropolitan had been expected. He was passed over at Grand Met for the position of chief executive officer when Allen Sheppard's role of chairman and chief executive was split last year.

of their stock options in November

Spectrum accounted for revenue

Investor's Europe Frankfurt London **Paris** FTSE 100 Index CAC 40 DAX 2400 3400 3300 2200 3200 2100 3100 : 2000 300 1800'S'ON DJF 1993 1994 Exchange. index Monday Prev. Close. Change Close Amsterdam **AEX** 428,43 437.10 -1,98 7.741.96 -0.34 7,768.23 Stock index Brusseis 2,079.40 2,138.25 -2.75 DAX Frankfurt FAZ 800.65 819.56 -231 Frankfurt -3.68 Helsinki HEX 1.899.33 Financial Times 30 2,632.90 . 2,668.80 -1.35 London London FTSE 100 -1.62 Madrid 347.24 -1 4R -1.02 Milan 1.063.00 1.074.00 MIB Paris **CAC 40** 2,287.06 2,329.17 -1.81 Affaersveeriden 1,801.45 1,846,40 -2.43 Stockholm Vienna 499.55 505.76 -1.23

Very briefly:

Stock Index

Sweden, in the early stages of recovery from its worst economic recession, urgently needs to reorganize its state debt and ease labor laws, the Organization for Economic Cooperation and Development said. It recommended the government signal its commitment to low inflation by introducing index-linked debt instruments.

1,057.29 1,091.83

-2.25

 Royal Neciloyd Group NV expects to post a 1993 net loss of about 120 million guilders (\$61.7 million). In 1992 Nedlloyd booked a net loss of

58.3 million guilders. Alustrisse-Lonza Holding AG plans to raise 400 million Swiss francs (\$276) million) in a rights issue to finance the takeover of Lawson-Mardon Group of Canada. The Swiss chemicals, packaging and aluminum concern also

said it expected a net profit of 80 million to 90 million francs in 1993. • Unidanmark A/S plans to issue 5.5 million of its listed A shares at market value to improve the financial base of its Unibank unit, Denmark's second-largest bank. The issue has a nominal value of 550 million

Hanson PLC is planning a public offering of 100 percent of its building subsidiary. Beazer Homes (U.K.) on the London Stock Exchange in March as it seeks to raise cash to pay off some of its £11.4 billion (\$17.1

French industrial production, excluding the construction industry, rose 0.4 percent in the third quarter of 1993, compared with the previous quarter, the National Statistics Institute said. The seasonally adjusted industrial production index rose to 108.5 in the third quarter from 108.1

• Dalgety PLC of Britain said it earned £56.4 million (\$78.9 million) pretax in the first half ended Dec. 31, up 0.3 percent from a year earlier. Charles Masefield, now president of Avro International Aerospace

· Heinz Schimmelbusch, the dismissed chief executive of Metalleesellschaft AG, is asking for compensation of 10 million deutsche marks (\$5.7 million), the German magazine Der Spiegel reported.

has been appointed to head Airbus Industrie's sales department.

Bloomberg, Reuters, 4FP, AP

cover price

COMPANY DECINTO

COMPAN	results				i
Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.	Year 1992 1992 Revenue 1997 5494 Net Loss 38.55 125.33 Earton	Year 1992 1992 Revenue 2451 2330. Net foc. 148,09 40,99 Per Share 248 C74 1992 year net includes soils of \$25.8 million and charge of	Springs Industries 4th Quar. 1993 1992 Revenue 57223 531.84 Net Inc 15.48 14.64 Per Shore 0.87 0.82	Tosco 4th Quar. 1993 1992 Revenue 1,141, 535.43 Nel Inc 15.71 (a) 1229 Per Shore 0.43	Year 1993 1992 Revenue
United States Armco 415 Quor. 1973 1972	### Quor. 1973 1972 Revenue 1.115. 1.538. Net Inc. 28.50 39.50 Per Shore 0.34 0.57 Year 1973 1972 A.401. 4.101.	\$131 million. LIIIY (EII) & Co. 4th Quar. 1993 1992 Reversia 1201. 1455.	Year 1992 1992 Revenue 2002 1,976 Nel inc(a)2529 44.51 Per Share 2.50 g: Loss.	Year 1993 1992 Ravenue 1559. 1,861, Net (nc. 80,55(a) 74,46 Per Share 2.38	Uplohn 4th Quar. 1973 1772 Rovenue
Revinue 362.50 404.00 Net Loss 78,00 376.70 Year 1972 1972 Revenue 1664, L673. Net Loss 641,80 429.00 Nets include charges of \$7.3	Net inc	Oper Ster 132.40. 311.20 Oper Ster 1.14 1.86 1997 net exclude charges of s256 million. McGraw-Hill	Sprint 4th Geor. 1793 1792 Revenue 2981, 2720 Oper Net 190.16 116.90 Oper Shore 9.55 0.34	Tribune 4th Goor, 1993 1992 Revenue 513.85 522.12 Net Inc. 58.08 42.01 Per Share 0.80 0.57	Revenue
million vs. SEA million. 1993 nots also include charges of 265 million in quarter and of \$250.50 million in full year. Burtington Industries	Revenue 2,010, 1,964, Not Inc. 17288 143,20 Per Share 0,77 0,73 GTE	4th Quar. 1993 1992 Revenue 652.53 574.68 Hed Inc. 44.89 44.67 Per Shore 0.91 0.91 Year 1993 1992 Revenue 2.195. 2.550.	Year 7773 1972 Revenue 11368 10,420 Oper Net 480.60 466.10 Oper Share 1139 1.46 1973 year net excludes losses of \$41.5 million and charge of \$3542 million.	Year 1993 1992 Revenue 1,953 2,105 Nai inc. 18841 11923 Per Share 236 146 Tyco int'i.	Revenue 1.802, 1.435, Net Loss 116.54 254.04 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
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Met Inc. 115.00(a) 126.8 Per Storn 1.50 a: Loss, 1977 quarter net in- cludes charge of 5125 million. Per shore results after pre- terred dividends.	Revenue L6S1 L492. Net Loss 42.00 178.20 Year 7993 1992 Revenue 6251 6564. Net Loss 161.00 137.30 Household	9 Months 1973 1972 Rayanus 4055 3518. Nat Inc. 2298 495 Per Share 8.40 0.84 a; Loss. 1992 nets Include charges of 5428 million.	Revenue 2400 2200 Net tot. 102.50 90.40 Per Shore 1.13 1.42 Year 1793 1992 Revenue 7.100 8.300 8.300 Net Inc. 379.10 224.10	Revenus 1.153 1,053 Net Inc 44.38 37.40 Per Shore 6.30 0.27	#th Quar. 1992 1992 Revenue 1,994 1.836 Not inc 69.00 62.00 Per Shure 0,94 0.37 Year 1992 1992 Revenue 7,533 7,361
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Revenue 1.840, 1,771. Net inc. 122.10 119.90 Per Sharre 0.78 0.46 Year 1913 1912 Revenue 7,141, 7,007. Net inc. 189.96 477.00	Per Share 1.77	years.	Timken eth Quer. 1993 1992 Revenue 499-51 398-18 Net inc 629-96 8.12 Year 1993 1992 Revenue 1799, 1642	Year 1992 1992 Revenue 440, 4872. Nel Inc. 8800(s)175.0 Per Shore 0.36 a: loss,	Xerox 4th Quor. 1993 1992 Revenue 4177. 425. Oper Net 234.00 276.00
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SCULLEY: Spectrum Chief Quits Continued from Page 9 last week after news that top man-Sculley issued a statement on Jan. agers had executed large portions

25 denving those rumors.

But the same day, a Securities and early December, taking advanand Exchange Commission investitage of a surge in the stock after gation of the company was disclosed. On Monday, Mr. Sculley Mr. Sculley also said he had said he had learned of the SEC raised questions about the way inquiry from news reports.

'Although the company has from licensing fees. He said he had known of these inquiries, I was not asked an outside auditor to review informed of them either before I the accounting practice, and the joined the company or at any time auditor recommended that the prior to Jan. 25, 1994," he said. earnings be recalculated. The company's stock fell again

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CARS: Japanese Hustle to Regain U.S. Market Share REPUBLIC OF COTE D'IVOIRE

market share last year was 13.6

Japanese executives said they misjudged the extent of this market shift. In addition, pickup trucks and two-door sport-unlity vehicles are classified as commercial vehicles subject to a 25 percent U.S. tariff, virtually pricing such models out of the market.

But the Japanese companies have some advantages, not the least loyal American customers happy with their Japanese cars. And they still have a quality edge, if a shrinking one, which translates into a higher resale value for used cars. The surest way for the Japane to gain back market share is with a

popular new product, as Nissan showed with the Altima and also with the Quest minivan, built for it This year Nissan is hoping to increase sales 10 to 20 percent, said Misutaka Kurumisawa, deputy general manager of European and North American operations. It will introduce a new Maxima, its highend sedan, in the spring followed

about a year from now by a new Sentra, its economy model. Honda, long the epitome of success in the United States, saw its sales drop 6.8 percent last year and its market share, including its Acura division, fall to 5.1 percent

from 6 percent in 1992. The company said it expected a sales increase this year because of a

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cross between a passenger car and corrent minivans.

The new product, based on the

Accord, is expected to have a lower floor than most minivans, allowing in the 1996 model year. easier entry yet a high ceiling to maintain the roominess of a van.

Confineed from Page 9

now account for roughly 40 percent of the American light-vehicle market.

now account for roughly 40 percent of the American light-vehicle market.

now Accord introduced last summer, and it has started to sell a costs from the rise of the year.

They are also designing and producing some models specifically for They are also designing and producing some models specifically for

The Japanese held 29.1 percent made only passenger cars.

I made only passenger cars.

Later this year, Honda will introduce a minivan of its own design two years. But in light trucks, their Executives say the vehicle will be a end Cressida that was announced at the Chicago Auto Show last week. Honda plans to design and build a new model of the Acura in

> In the long run, the Japanese hope to cut costs enough to com-Virtually all the companies are pensate for the yen's rise, but that increasing production at their will take time.

INVITATION FOR TENDER PREQUALIFICATION

Supply of various equipment for hospital developments at Berea, Mokhotlong and Qacha's Nek.

The Government of Lesotho has obtained funds from the African Development Fund for the development of various hospitals in

The project will comprise of the supply, installation and commis-

- sioning of equipment as follows: A. LABORATORY EQUIPMENT
 - D. DENTAL EQUIPMENT
 - E. MEDICAL UTENSILS H. HOSPITAL EQUIPMENT
 - L SURGICAL INSTRUMENTS P. PHYSIOTHERAPY EQUIPMENT R. MEDICAL REFRIGERATORS
- Suppliers wishing to be prequalified for participation in the bidding are invited to submit completed prequalification questionnaires to the address given below not later than 18th March 1994.

The Project Coordinator Rural Health Services Project Ministry of Health P.O. Box 7429 MASERU, 100 Lesiotho Southern Africa

Fax: 310041 Tel: 312468

Prequalification questionnaires and further information may be obmined free of charge at the above address.

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OFFICE OF THE PRIME MINISTER

COMMITTEE FOR THE PRIVATIZATION AND RESTRUCTURING OF THE PARASTATAL SECTOR

INVITATION TO TENDER

IDENTIFICATION AND IMPLEMENTATION OF A COMMUNICATION STRATEGY IN THE AREA OF PRIVATIZATION

<u>ARTICLE 1 - SUBJECT OF THE INVITATION TO TENDER</u> The subject of this invitation to tender concerns the identification and

implementation of a communication strategy for the privatization programme in the Republic of Côte d'Ivoire. ARTICLE 2 - FINANCING

Services will be paid from the resources made available to the Government of Côte d'Ivoire by the International Development Association (World Bank) (Crédit N° IVC - 2363).

ARTICLE 3 - BIDDING DOCUMENTS

Bidding documents are available at the following address: COMITE DE PRIVATISATION ET DE RESTRUCTURATION DU SECTEUR PARA-PUBLIC

6, Boulevard de l'Indénié 01 BP 1141 ABIDIAN - PLATEAU REPUBLIC OF COTE D'IVOIRE **WEST AFRICA** Tel.: (225) 22 22 31/22 22 32

Fax: (225) 22 22 35 for a non refundable fee of CFAF 50.000 (fifty thousand CFA francs) in cheque addressed to the Comité de Privatisation (CFAF 1 = FF 0.01).

ARTICLE 4 - SUBMISSION OF BIDDING DOCUMENTS

The bidding documents should be submitted on or before March 17th, 1994, 18:00 hours GMT at the address indicated above.

ARTICLE 5 - OPENING OF BIDS

Bids will be opened on March 18th, 1994 at 9:00 hours GMT at the Direction des Marchés Publics in Abidjan, Côte d'Ivoire.

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	CEL N. Africa, termor French African Matthe East	s	638		345	190	
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	Rest of Africa	5	900	<u> </u>	495	270	
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عكذامن الأحيل

Asian Stock Markets Slide Hong Kong and Thailand Lead Sell-Off

By Kevin Murphy

onal Herald Tribune HONG KONG — Spooked by a small rise in U.S. interest rates, Asian stock markets stumbled Monday — badly in Hong Kong and Thailand — as investors looked to New York for signs that the region's bull run was over. The Hang Seng index in Hong Kong fell 743.30 points, or 6.1 percent, and the Stock Exchange of Thailand index quickened a monthlong slide, dropping 6.9 per-cent in heavy trading led by small

In Tokyo, Asia's biggest market, the Nikkei average closed down 287.03 points, or 1.4 percent, at 20,014.40. But analysts said developments in the United States played little part, as Japanese investors were focusing on domestic

economic and political problems. Elsewhere, however, investors from New Zealand to Seoul seemed to lear that the U.S. interest-rate increase Friday and that day's 2.4 percent decline in the New York stock market could slow the strong flows of American investment that have lifted most Asian markets to

Designed as a pre-emptive move against inflation by the Federal Re- New York shows signs of falling

serve Board, the quarter-point in-further, rather than hold positions crease in a short-term interest rate, the federal funds rate, prompted Wall Street's biggest single-day loss

"The Asian markets reacted as usual - they overreacted," William Phillips, managing director of Salomon Brothers Hong Kong Ltd., said, citing the region's strong growth in corporate earnings and prospects for increased exports to a rebounding U.S. economy.

But it was the fickleness of the markets, which climbed steeply in 1993 as foreign investors chased high returns, that seemed to weigh heavily on most traders' minds.

"External factors have brought Thailand down," Mark Reinecke, a dealer with Baring Securities in Bangkok, said. "And domestic factors will make sure it stays on its knees. The overreaction has been phenomenal "

"If Wall Street takes another tumble, all bets are off in some of these markets," Mr. Phillips said. Several Asian markets will be closed in the next few days to celebrate the Lunar New Year, raising

fears that some investors would be

tempted to sell heavily Tuesday if

over a time of market closings.

The Kuala Lumpur composite index, one of the strongest performers in the region in 1993, lost 4.6 percent Monday, continuing the weakness it has shown over the past five weeks. The Seoul market declined 2.9 percent, and Jakarta and Manila fell as well.

The Straits Times index in Singapore fell 2.0 percent, the All Ordinaries Index in Sydney lost 2.2 per-cent, and Wellington's Top 40 index finished down 2.0 percent.

Archie Hart, research head of Crosby Securities in Hong Kong, said, "There will be a time when people stop and look at this market and decide nothing has really changed," citing such fundamental factors as the still booming business with a rapidly growing if trou-

But in the meantime, some major investors may be poised to step out of Hong Kong and other Asian markets for a while, saying stocks had just become too expensive.

Nomura Research Institute Europe, for example, is recommending that its clients not hold any

Tokyo Near Accord Indonesia On Stimulus That Near Deal **Delays Tax Rise** On Power

JAKARTA — Indonesia is to sign a deal with a foreign By Steven Brull consortium to produce elec-TOKYO - Japan's coalition tricity from a planned \$2.3 bilgovernment failed Monday to meet

lion coal-fired power plant in a self-imposed deadline for a com-East Java, industry sources promise economic stimulus plan, said Monday but it appeared set to reach an ac-They said the Paiton power cord Tuesday that would represent a deal, the first major venture victory by Socialist coalition meminvolving the private sector, bers over the Ministry of Finance would open a potentially lu

Coalition leaders and Finance crative area for foreign and Ministry officials met all day Mondomestic investment. day without reaching agreement on The consortium, grouped a tax proposal. The plan is the core under a joint venture called PT of the economic pump-priming measures that Prime Minister Mor-Paiton Energy Co., includes Mitsui & Co. of Japan and Mission Energy BV of the Netherlands, a unit of Mission thiro Hosokawa wants to deliver when he meets President Bill Clinton in Washington on Friday.

Energy of the United States. Both hold 32.5 percent. The coalition leaders, however hinted that progress had been made The government and the and indicated a compromise putconsortium have agreed, after ting off a tax increase would be almost two years of negotiawithin reach when discussions retions, on pricing tariffs for the sumed Tuesday. two 610-megawatt units.

"The gears are really beginning to mesh, but we haven't yet reached an agreement," Yuichi lchikawa, secretary-general of Komeito. one of the coalition parties, said.

The coalition has been in disarray since Thursday, when Mr. Hosokawa announced plans to impose a 7 percent value-added tax, starting in 1997, to finance 6 trillion ven (\$55.33 billion) in income tax cuts over the next three years. Mr. Hosokawa quickly retracted the plan after the Socialists, the coalition's largest party, objected.

The Socialists support cutting the income tax to help Japan's recession-bound economy, but they vehemently oppose the proposed

data was first compiled in 1954.

Japanese Bank Loans Slow

Compiled by Our Staff From Dispatches

TOKYO - Japan's 11 major commercial banks reported on

Monday their first year-on-year decline in monthly lending since

The Federation of Bankers Association said its members lent 222.16 trillion yen (\$1.99 billion) in January, down 1.1 percent from December and 0.7 percent below the first month of 1993. The group attributed the decline to fewer business starts and lower capital

investment. Deposits fell to 175.52 trillion yen, down 0.5 percent

Separately, Standard & Poor's Corp. said Japanese banks would

adopt a gradual approach to writing off bad loans, with some taking

up to a decade to clean up their balance sheets. The fact that

substantial write-offs will have to occur has already been factored

into the ratings," the agency said. It warned that a long period of

write-offs would pressure bank stocks and thus the entire Tokyo

equity market, which would limit the ability of the banks to use hidden reserves to absorb problem loans. (Bloomberg, AFX)

from December and 0.4 percent from January 1993.

offsetting tax. The Finance Ministry has been equally adamant in demanding that the coalition eventually raise the value-added tax to finance any cuts in the income tax.

The likely compromise would scrap the so-called people's welfare tax and set up a committee that would have one year to agree on how the income-tax cut would be financed, according to Japanese media reports. That would buy time for the Socialists but mark a major loss of face for the Finance Ministry, which has urged that the issue be settled now.

An agreement on Tuesday would come in time for the ministry to prepare a draft of its budget for the fiscal year that begins April 1 by Thursday, the day Mr. Hosokawa is to leave for Washington.

Separately on Monday, the coalition approved a plan to raise taxes on liquor, adding an estimated 100 billion yen to government revenue, Japanese media reported.

Mr. Hosokawa needs the budget and the pump-priming package to demonstrate that Japan is doing its part to reduce its trade surplus with the United States. The stimulus measures are important because Tokyo and Washington remain at an impasse over the U.S. demand that Japan agree to "objective criteria" for measuring progress in the opening of its markets.

That sense of crisis was deepened Monday when the government reported that Japan's current account surplus had swollen to a record \$131.35 billion in 1993 from the previous record level of \$117.55

Hong Kong Singapore: Tokyo Straits Times Nikkei 225 20000-2000 10000 . 2200 · 17000-7000 S ON D J F Exchange. Monday . index Close Close Change Hang Seng 11,414.20 12,157.50 -6.11 Hong Kong Straits Times 2,314.45 2,360.97 Singapore All Ordinari 2,332,80 2.281.10 -2.22 Tokyo 20,014.40 20,301.43 -1.41 Kuala Lumpur Composite 1.094.02 1,147.32 -4.65 1,344.81 1,443.81 -6.86 Bangkok Seoul Composite Stock 914.88 942.60 -2.94 6,294.13 Weighted Price Closed .2,890,94 2,965.38 -2.51 Composite Jakarta N.A. Stock Index 601.83 NZSE-40 2,365.50 2,413,24 -1.98 1,894.61 +4.62

Very briefly:

Investor's Asia

Shoichiro Toyoda, chairman of Toyota Motor Corp., was named president of the Keidanren employers' group, succeeding Gaishi Hiraiwa. The appointment must be approved by a general assembly May 27.

 Metro Pacific Corp., a subsidiary of the First Pacific Group of Hong Kong, is planning a pre-emptive rights offer to raise up to \$3.7 billion to finance the acquisition of companies in the Philippines. It will sell 30 million shares to staff under its employee stock option plan

Japanese investors bought a record \$3.5 billion of foreign stocks in December, boosting net purchases in 1993 to a four-year high of \$15.3 billion, the Finance Ministry said.

Australia's retail trade volume fell 1.5 percent in December, to a seasonally adjusted 8.34 billion Australian dollars (\$6 billion), from 8.47 billion dollars the month before, the Australian Bureau of Statistics said.

Alcatel-CIT and Alcatel Cable Contracting, units of Alcatel Alsthorn, have won a 380 million franc (\$64 million) fiber-optic cable order from Indonesia's state-run PT Telekom. The cable will link Jakarta with the eastern island of Bali.

Northern Telecom Ltd. of Canada has signed a \$6.1 million deal to install a 25,000-line switching system in the Vietnamese port of Haiphong. Mitsui & Co. of Japan will arrange financing for the deal with

 Nissho Iwai Corp., the Japanese trading house will establish a \$10 million chemical-fertilizer joint venture with Vietnam's Southern Fertilizer Co. in Ho Chi Minh City, a company spokeswoman said. The new company is owned 51 percent by Nissho Iwai and the remaining 49 percent by the Vietnamese company.

China Airlines, Taiwan's flag carrier, is considering the sale of up to \$200 million of convertible bonds overseas this year.

Yamazaki Baking Co. of Japan has agreed to buy Vie de France Corp.'s

 Ricoh Corp., the Japanese office supplies and equipment maker, has entered into a joint venture with RPG Industries Ltd. of India for manufacturing and marketing fax and copier machines. RPG will have a 34 percent stake and Ricoh 26 percent. The remaining 40 percent will be AFX, Reuters, AFP, Bloomberg offered to the public.

Hong Kong Developer Attracts Bidder

HONG KONG - HKR International Ltd., a real estate developer, said Monday that an unidenti-

fied bidder wanted to buy part of the company. There was speculation that the Chinese-controlled CITIC Pacific Ltd. was the potential buyer. HKR provides recreational ser-

vices for residential housing on Lantau Island, a sparsely populated area that is likely to be linked with Hong Kong Island and the Kowloon Peninsula if a controversial airport project is completed.

Trading in HKR, its parent com-

pany, Mingly Corp., and in CITIC Pacific was suspended Monday on the Hong Kong Stock Exchan fueling the speculation that CITIC was the buyer in question. The fact that a Chinese company appears ready to buy into Lantau

despite its protests about the amount of debt China could inherit from the airport. Financing for the airport, the largest public works project in the. targest public works project in the. CITIC's interest in HKR would world because it involves building be a commercial endorsement of

Island suggests that Beijing intends

to see the airport project through,

an artificial island, has been the the airport project and develop-subject of considerable bickering ment on Lantau Island. CTFIC also between Britain and China. Britain would be likely to push for Lan-

The two countries have not yet link to Hong Kong. agreed to a final plan to imance the

is to hand its colony back to China tan's Discovery Bay to be included in the bridge-and-tunnel airport

Properties at Discovery Bay, one approximately \$20.3 billion cost, of the few developed areas on an and Chinese officials have said they island, which is larger than Hong

The fact that a Chinese company appears ready to buy into Lantau Island suggests that Beijing intends to see the airport project through.

refuse to be responsible for any debt connected with the airport. After lengthy and unproductive meetings with China on the subject. Hong Kong officials have gone ahead with the project without Beijing's approval. If the project is completed, the land owned by HKR on Lantau Island - now only accessible by ferry — is likely

12 Month

Kong Island, have become keenly sought after by refugees from Hong Kong's increasing crowds and dra-

matic rises in property values. HKR International recently offered 104 units on the island for sale, and they were oversubscribed 43 times. That suggests the company's assets may look like good value to CITIC Pacific, which, as an investor, has been willing to pay CITIC's interest in HKR would top dollar for quality properties. gauged national properties gauged national properties gauged national properties.

unit of China International Trust & Investment Corp. of Beijing, CI-TIC Pacific has interests in a regional airline, Hong Kong Dragon Airlines Ltd., and other industrial

"President Suharto has ap-

proved the agreement and it is

likely the contract will be

signed between Feb. 9 and 15," one source said.

and property investments.

HKR and Mingly said no new shares would be issued. They did not detail the size of any pending (Reuters, Bloomberg) ■ Bureacrats Get a Break

China on Monday gave state workers a 44-hour work week, down from their usual 48, in essence allowing them Saturday afternoons off for the first time since the communist takeover of 1949, Reuters reported from Beijing. The change, decreed by the State

Council and reported by the official Xinhua news agency, follows last month's adoption of China's first nationwide minimum-wage standards.

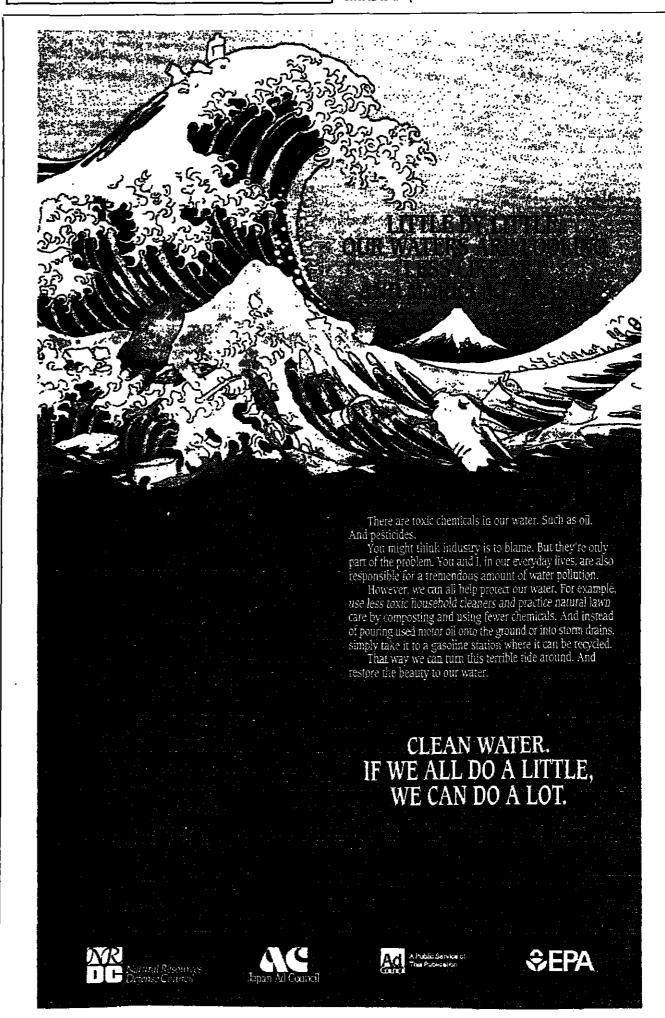
Even at 44 hours, or five-and-ahalf days, China's official work week is one of the world's longest, a relic of four decades of orthodox socialist labour management that gauged national prestige on steady

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Taren ara

For expert advice on personal investing.

Every Saturday, the International Herald Tribune publishes The Money Report, a weekly section that provides a penetrating analysis of financial products and services available to today's high-net-worth investor.

For timely investment information, read The Money Report.

Herald Tribune

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INTERNATIONAL HERALD TRIBUNE, TUESDAY, FEBRUARY 8, 1994

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SPORTS

Kentucky Starts Big Week Right

A month before the "March Madness" of the NCAA championship tournament starts. Ken-tucky's coach, Rick Pitino, is giving his team a taste of what's to come. The seventh-ranked Wildcats started a tough seven-day stretch

COLLEGE BASKETBALL

Sunday by beating No. 11 Massachusetts, 67-64.

On Wednesday, Kentucky (18-3) will be at home to No. 6 Arkansas of the Southeastern Conference. On Saturday, the Wildcats will be at No. 15 Syracuse of the Big East.
Against the Minutemen (17-4) of
the Atlantic 10, Jared Prickett got
17 points and 15 rebounds in the

neutral-site game at East Rutherford, New Jersey. "I think Jared realized that if we didn't rebound, we wouldn't win." Pitino said. "We were fortunate to the win the game. I'm very proud of our guys and the way they executed down the stretch.

Kentucky scored the game's final seven points. Lou Roe had 28 points and 13 rebounds for Massahusetts, but did not get open for a hot in the last three minutes.

But the Massachusetts' coach.

(18-1, 5-1 Great Midwest). Brandon Cole had 14 for DePaul (13-6, 2-5). chusetts, but did not get open for a

traught over his team's poor play, saw signs of progress. "It means I learned a lot about

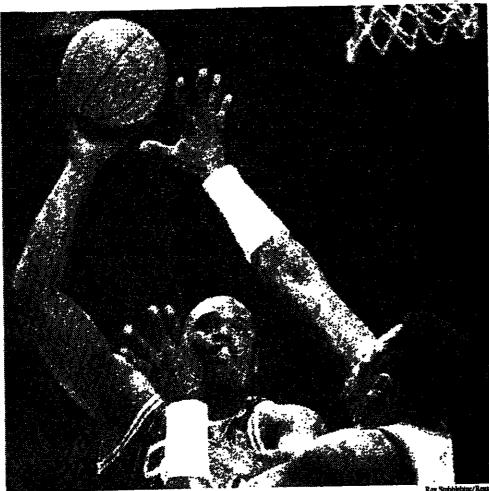
my team," Calipari said. "I learned that we're a little bit better than I thought. No. 3 Kansas 94, Nebraska 87:

Steve Woodberry scored 25 points as Kansas (20-3, 5-2 Big Eight) became the first Division I team to win 20 games this season. Eric Piatkowski had 26 for visiting Nebras-No. 8 Purdue 87, Iowa 78: Glenn Robinson, leading the Big Ten at 28.5 points a game, scored 34 for host Purdue (18-3, 6-3). He got all

a 13-4 run in the second half that stopped Iowa (9-9, 3-6). No. 9 Louisville 78, Vanderbilt 62: Freshman guard DeJuan Wheat had 21 points and led an early second-half spurt for Louis-ville (18-2). Billy McCaffrey made five 3-pointers and scored 21 for

of the Boilermakers' points during

visiting Vanderbilt (10-8). No. 18 Saint Louis 91, DePani 81: Erwin Claggett scored 13 points in the first 10½ minutes and finished with 22 for host Saint Louis



Shaquifle O'Neal, left, and the Magic ran out of tricks against Patrick Ewing and the Knicks.

EASTERN CONFERENCE

WESTERN CONFERENCE

Second Chance in France Famed Chance in

By Ian Thomsen
International Herald Tribune

BOULOGNE, France - The buildings gleam even on a cloudy day. They were made of glass and tal and designed to never appear old. But a short time after moving into the suburban office park here, the new French horse racing agen-cy was deciding last month to shut down the most beautiful race track in the world.

"It is a beautiful track," agrees Charles Le Tertre, secretary general of GIE-GALOP, a recent conglomcration of the three former racing societies of France. "In a way for me it is very sad, because I love Chantilly. But we have to decide. Emotion and economy are not the same thing. The decision was made by our 12 members, like any man-

ager or chairman does every day." In return for a governm package of 700 million francs (\$118.6 million) over five years, the racing societies promised to unify under one roof and shut down at least one of the nine Paris tracks to save money. The 12-member committee decided unanimously to close the track at Maisons-Laffitte to the west of Paris in 1995. Then nine members voted to shut down Chantilly because of the 15 million francs needed for refurbishments.

Because the decision was not unan-now a museum. The race track is imous, it was put off to a larger vote still in business, albeit for only six. the following week.

sport that, today, struggles as a business. It has changed little in more than 100 years. A 1830s painting shows the horses and their uniformed jockeys encircling the green field, much as they did last spring. In the early days of the track, the infield was filled with families dressed for Sunday. Married men sat with their wives in carriages drawn by horses. Single men wore top hats and rode horses. The children rode horses. In the spring today the spectators try to dress just as elegantly, but they arrive in automobiles, and many

have never ridden a horse. The race track is a vast empty field in winter, and at first the only clines to its existence are the white oval skeletons of fencing. As you continue walking toward the chatean, the solitary grandstand appears to the right from behind the bare woods. The chateau, which came first, today depends upon the track somewhat. A polished relic overlooking its own garden of statnes and symmetrical ponds, it is

meetings a year. But they include the Prix du Jockey Club and Prix tilly and into the grand, grassy de Diane, two of the greatest races clearing of the race course is to recognize the native culture of this is to grasp time flowing from the past and onward as surely as the horses pass by. If the track were closed, then the neighbor hoodwould die in a sense. In short time, the place would lack all relevance. More specifically, the men who train 2,500 horses in Chantilly

feared that their training center city would lose stature without the track. None of these concerns were magined by Prince Lobanoff, who, in 1833 was crossing the green with -friends when he decided to hold a race. That was how the track began. Before the end of the century, the nobility was donating the land to be operated as a public race course. Private industries settled around it. The great stables opposite the grandstand have been turned into a living museum, with horses displayed in training. The grandstand has been left just as it was built in 1879 by the famed architect Danmet, who then walked across the green and began renovating the chateau.

In 1994, then, the politicians and speculators had to work out a deal.
The local politicians were sincere, because they know a museum works best if crowds can still be heard cheering. The race course recreates that feeling every spring. As for the the horsemen, they cannot bear watching the destruction of their temple. Within five days the local government agencies had formed the Societé d'Economie Mixte Locale (SEML), which promised an mitial 15 million francs to save Chantilly. The Aga Khan and Sheikh Mohammed ibn Rashid al Maktoum, the United Arab Emirates' defense minister, who is a major owner of race horse, have expressed an interest in investing in

the course, according to Le Tertre, the head of the racing agency. "So it was good that we had this vote," Le Tertre says from his top floor office. "It got people started talking, and they came up with the money. Now the track at Deauville is talking about an arrangement like this. Perhaps this is will be the new way of operating horse tracks." 1

The members of the Societé d'Encouragement, a subcommittee of GIE-GALOP, voted late last month, by 47-3, to keep Chantilly alive. The SEML has vowed that Chantilly will be renovated and operated without costing the GIE-GALOP money. But there is still the matter of the 124-million-franc deficit anticipated by French racing this year, and the fact that more as the national lotteries grow in

popularity. The track in Maisons-Laffitte is proof of the diminishing fortunes" of French courses. There is a chaunique park, green and private. But

Spurs Bounce Nets To Win 7 Straight

The Associated Press "San Antonio Spurs" and "NBA elite" don't often appear in the

The Spurs defeated the New Jersey Nets, 104-102, in overtime Sunday night to complete a three-game road trip with three victories. San Antonio has a seven-game winning

NBA HIGHLIGHTS

streak, at present the longest in the National Basketball Association.

With only one game left before the All-Star break, the Spurs are 33-14 and only 1½ games behind the Houston Rockets in the Midwest Division. Only the Rockets, the Seattle SuperSonics, New York Knicks, Chicago Bulls and Atlanta Hawks have a better record than San Antonio, and not by much.

"I like what I am seeing with this team," center David Robinson said. e growing up and maturing and coming on as a team. Dennis Rodman has really helped. I feel this year we are equipped to win. I didn't feel like that in the past."

Robinson was key to San Antonio's victory, sinking two foul shots with 4.1 seconds left to make it 104-102. He then deflected the ensuing inbounds pass to prevent New Jersey from getting off a decent shot at

the end of overtime.

Robinson played 51 minutes.
and had 36 points and 12 rebounds.
Rodman grabbed 20 rebounds; it was the 18th time he has had at

least 20 in a game this season.

Detrick Coleman led New Jersey with 28 points and 14 rebounds,

down the lane to put the San Antonio center on the line for the gamewinning points.

Suns 89, Bulls 88: Chicago, playing in Phoenix for the first time since winning its third straight NBA title on John Paxson's lastsecond 3-pointer last June, had another chance at a last-shot victory but closely guarded Scottie Pippen shot an airball at the buzzer. Kevin Johnson, who missed 15

of the last 16 games because of a lower-leg injury, led the Suns with 22 points.

Knicks 95, Magic 77: In Madison Square Garden, Patrick Ewing got the better of Shaquille O'Neal as New York won for the seventh time in eight games. Ewing got 32 points and nine

rebounds; O'Neal had 22 and 13. Charles Oakley had 21 rebounds The for New York. Rockets 101, Thinberwolves 90:

In Houston, Hakeem Olajuwon Otis Thorpe added 19 points and 17 rebounds against Minnesota.

It was also announced that the trade that was to bring Sean Elliott from Detroit to Rockets had been voided when Elliott failed his phys-

The Rockets' coach, Rudy Tomjanovich, would not say what part of the physical Elliott had failed, and the Pistons president, Tom Wilson, said, "I don't want to comment on that because it invades Sean's element of privacy."

Wilson added: "But I can tell you that whatever the condition is, it doesn't prevent him from play-

SCOREBOARD NFC Wins BASKETBALL

Pro Bowl **NBA Standings**

HONOLULU - Bobby Hebert, a late replacement for the injured Troy Aikman in the Pro Bowl, engineered two second-half scoring drives that gave the National Football Conference a 17-3 victory over the American Conference. The Atlanta Falcons' quarter-

The Atlanta Falcons' quarter-back completed four of six throws for 68 yards, one a 15-yard touch-down pass to Cris Carter of the Milwouker down pass to Cris Carter of the Minnesota Vikings 1:19 into the final quarter Sunday. That followed a fumble recovery by Chicago's Richard Dent at the

AFC 19, after Minnesota's John Randle stripped the ball from Warren Moon of the Houston Oilers. Andre Rison of the Falcons, who had six catches for 86 yards, was voted the game's most valuable

The NFC defense came up with four interceptions and two fumble recoveries. Chicago's Donnell Woolford intercepted a pass by Boomer Esiason of the New York lets in the NFC end zone will left to ensure victory. Tight end Brent Jones of the San

Francisco 49ers fractured his right ankle in the first half. He will be able to begin working out again in six to eight weeks, which means he should be ready of training camp. Some of the NFL's big names missed the game because of injuries, including quarterbacks Aikman of Dallas, Joe Montana of Kansas City and Phil Simms of the New York Giants: running backs Emmitt Smith of Dallas and Barry

Sanders of Detroit; wide receivers Andre Reed of Buffalo and Sterling

Sharpe of Green Bay, and defen-sive end Bruce Smith of Buffalo.

NY: Ewing 15-21 2-2 32, Starks 6-16 3-4 18.

Reboards—Orlando & (O'Neal 13), New York

(Ookley 21). Assists—Orlando 18

(Handarway 5), New York 26 (Starks 9).

Golden State 28 24 26 28—166

Washinston 31 16 20 7— 84 (Hardowstv 5), New York 25 (Starks 9).
Golden Starte 23 24 25 164
Washinston 31 25 27 - 84
G: Owers 10-16 0-2 20, Webber 12-15 2-4 25,
Sprewell 9-20 3-3 23; W: Gogllofto 8-18 1-5 18,
Cheaney 9-24 1-4 19, Rebounds—Golden Starte
56 (Webber 12), Washington 51 (Gugllofto 10),
Assists—Golden Starte 27 (Johnson 8), Weshington 17 (Adams 8),
Chicage 17 (Adams 8),
Chicage 27 19 22 16-69
C: Grant 5-18 0-3 16, Pippen 5-22 8-12 26; P:
Cabolios 9-14 1-2 19, Klaintson 8-16 4-7 22, Rebounds—Chicage 38 (Grant 15), Phoenix 57
(Green 12), Assists—Chicage 21 (Pippen 5,
Kuke 51), Phoenix 26 (Majerie 8),
San Antonio 18 26 25 21 11-164

18 26 25 21 11-194 26 18 26 23 3-102 Kuroc 5), Prisenta 26 (Majerre 5).
Son Antonio 18 26 28 21 11--104
New Jersay 26 18 26 23 9--102
S: W.Anderson 7-174-5 18, Robinson 12-5 1215 36, N.J.: Colemon 13-18 4-5 28, K.Anderson 727-7-28, Rebounds—Son Antonio 57 (Rodman
20), New Jersey 49 (Colemon 14), Assists—

Son Antonio 21 (W.Anderson, Robinson, Del Negro 6), New Jersey 26 (K.Anderson 14). Minnesoto 22 26 17 25— 99 Houston 96 32 13 26—181 M: Loethner 8-14 3-5 19, West 12-34 6-5 30; H: Thorse 4-10 7-11 19, Oldjuwon 10-20 5-10 25. Re-bounds—Minnesofa 46 (Loetiner 12), Houston 59 (Oldjuwon 17, Thorse 17), Assists—Minneso-to 18 (Williams B), Houston 21 (Elle 7). Anosem 1 1 2—4
First Period: A-Socco 7. C-Smith 4 (B. Sufer); C-Roenick 22 (Poulin); C-Marteou 13 (B.
Sufter, Smith). Second Period: A-Lonev 18.
Shots an goal: C (on Hebert) 6-144—34. A (on
Belfour) 10-126—28.

Natiford

1 2 2—4
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1 8 1—2 Vancauver 1 8 1–2
First Period: H-Verbeek 26 (Zolosski) VCourfnoil 18 (Ronnins). Second Period: HSmyth (Burt, Sonderson). Taird Period: VBurte 29 (Carson, Siegr) (po): H-Kron 16, HKron 17 (en). Shots an soci! H (on McLeon) 14119–34. V (on Burke) 19-7-25.
Winnipes

8 2 8–2
Edmonton

2 2 1–6

Major College Scores

Duquesne 88, Rutgers 71 Kentucky 67, Massachusetts Florido St. 100, Virginia 64 Louisville 78, Vanderbilt 62 Notre Dame 88, Georgia 85 Butler 69, Loyala, 116, 69 Evansville 91, Detroit Mercy 8 Kansas 94, Nebraska 87

EOCKEY.

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	NFE Divk	den	i			First Period: B-Howerchuk 22 (May) (pp). Second Period: B-Howerchuk 22 (May, Khmyley) (pp); B-Plants 18 (Wood, Pres- ley); B-Audetts 15 (Svoloda, Hasek). Third
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	13	4	72	189	132	Period: N.YKurvers 4 (McInnis, Green).
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:	19	10			140	Godies-N.Y., Hextoli. B. Hosek.
•						San Jasa 1 1—7
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ŧ	26	3	51	187	191	
,	26	4	44	173	177	First Period: S.JGaudreau 10, D-Dahlen 14
i	28	Ā	44	137	341	(Kight, Ledyard) (pp). Second Period: 5.1,-
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•	15	•				(sh), Third Period: S.JElik 11 (Folloon, Pe-
7	19	8			153	derson); 7, San Jose Baker 4 (More, Rothle);
5	18	9			152	CALESTINE 1: SON SHOW STANDING A FILLING AT LABORATOR'S
5	22	5	57	177	142	S.JGaudreau 12 (Craigwell, Whitney). Stats
1	27	5	47	174	185	on good: S.J. 10-7-9-26. D 15-12-9-36. Good-
	30	Ā	ũ	198	188	les-S.J., Walte, D. Wakaluk, Moog.
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es mit Period: S.J.-Gaudreau 10, D-Dahlen 1 th, Ledyard) (pp). Second Period: S.J dreau 11 (Whitney, Mare); B.J.-Makurn arcinone, Osal knh) (pp.); S.J.-Crustwell . Teird Period: S.J.-Ellk 11 (Palicon, P n); 7, San Jose Baker 4 (Wors, Rothle); audrecu 12 (Craigwell, Whitney). Skuts ed: 3.1. 10-7-9-26. D 15-12-9-36. Geal-3.1., Walte. D. Walkaluk, Moog.

SOCCER

INTERNATIONAL FRIENDLY Soudi Arabio 1, Colombia 1 ITALIAN FIRST DIVISION THE B. AC MINE ? SPANISH FIRST DIVISION

First Period: F-Aurphy 11 (Kudetaki) (pp). econd Period: F-Skrudkand 9 (Murphy, http://processing.skets.org.com/ ps.11.8.48 F-B-74-19 (Sociles-B, Riendeou,

Edmoston First Period: E-Krovchuk 9: E-Arnott 19 (Krovchuk, Carson), Second Period: W-Quintol 6 (Eogles); E-Corson 22 (Byddin, Krovchuk) (pp.); W-Emerson 27 (Kamedy, Shannon); E-Oksluto 1 (Krovchuk, Arnott), Titrd Period: E-Arnott 20, Shets on seel: W 11-12-36. E 7-18-12-37. Godiles—W, Essenso, O'Nelli, Essenso, E, Ronford.

GOLF

SPEED SKATING-Results from the World Speed Skaling Chappelocation for Women in Botin, Manisma (distances in maters):

OLYMPIC SPORTS

PEBBLE BEACH
Scores from \$1.25 million Medicaci F
en 479-yeard (4,545-meter), per-72
Beach Golf Links in California:
Johnny Miller, U.S. 49-72-67-44-281

Johnson Miller, U.S. 68-72-97-4-281 Jeff Massort, U.S. 68-72-77-70-382 Carey Pavia, U.S. 68-72-77-7-322 Kirk Triplett, U.S. 68-74-67-72-Tom Wedson, U.S. 68-67-72-4-382 Tom Lehmon, U.S. 68-87-73-73-283

1, Emese Hunyady, Austria, 2 minutes, 7,13 1, Emese Harryody, Austric, 2 mituries, 7,13 seconds; 2. Mikreio Doscolu, Romenio, 2:07.22; 3, Anni Friesinger, Germany, 2:07.23; 3, 4 Norlico Munekata, Jopan, 2:08.27; 5, Ulriko Adebery, Germany, 2:09.87; 4, Anette Tonsbers, Norway, 2:09.86; 7, Alle Uelkartz, Jopan, 2:11.79; 8, Emess Aridi, Austria, 2:12.46; 9, Liudmita Protopheva, Kozothaton, 2:13.82; 18, Estheria de Lev., Methertrant, 2:13.82;

1. Hunvody, 8:02.06; 2. Friesinger, 8:04.77)

DAVIS CUP
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voltoli, Iren, def. Offenen Al Anezi, Sou
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trio def. Remith Rozzeni, Iren
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tean nearby, but out of sight. The track's proximity to the river Seins has made the going heavy, and its two-kilometer straight — the long-est in France — is also difficult on the horses. On its own terms, it is a there is a noisy factory next door: Only the local mayor's office fought for its survival. No one knows what will become of the land when the horses are taken away.

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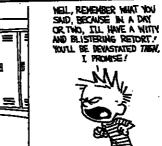








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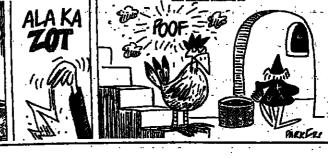










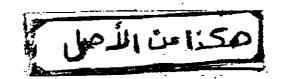


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SPORTS

For the Bosnians in Lillehammer, Death Remains Their Companion

By Jere Longman
New York Times Service

LILLEHAMMER, Norway — After 11 months of being trapped, Igor Boras thought he had escaped war-torn Sarajevo. By the time he arrived at the Olympics, the hemorrhaging had

As he walked through the Oslo airport, Boras looked up at a television screen. It was showing bodies stacked where bread and macaroni and beans had once been in Sarajevo's central market. Sixty-eight were dead, some 200 wounded by a mortar attack. A prostness lay on the ground, attached to a boot but no longer to a person. Boras did not want to see any more.

He could have been in that market on Saturday, if a UN plane had not whisked him away a: day, if a UN plane had not whisked him away a: civil engineer. There was no hope of calling day earlier to begin his preparations for bob-shedding at the Winter Games. Boras said he

The phone lines had been cut a long time ago.

lived in a Catholic seminary, only 100 meters away from the market where people came to buy food and trade clothes. The semmary was safer than his parents' home, and he could count on electricity and extra food for his

mother.

"I couldn't stop crying." Boras was saying now in the Olympic athletes' village, sitting on a couch, legs crossed, back in front of a television, his eyes now dry and hollow. On the screen, the carnage had its own logo — Terror in Sarajevo — and theme music. "Life is so cheap now, worth the price of one bullet,"

He did not know for sure, but his parents would not likely have been at the market. His mother is an English teacher, his father a retired

"I am worried about my girlfriend," Boras cent of Muslims and Serbs and Croats want to

He is 26, a Croat, tall and pale, with the clipped haircut of incarceration. He is built like a basketball player now instead of a thick, muscular bobsledder. He has lost 18 pounds (8 kilos) in the last year. The Olympics are not for winning just for proving that he is still alive. "Life is made of small things, and this small thing is very important for Sarajevo," Boras said. "I want to be here to show people that we are not savages, that we are normal, and to show people that we still believe in our coun-

There are eight others here with him on the Bosnia-Herzegovina Olympic team — three Serbs, two Croats and four Muslims — athletes living and training together when their whole

country has blown apart.

live together in peace," said Nizar Zaciragic. another member of the bobsled team.

Zaciragic left Sarajevo on Jan. 25, making his way to the airport in an armored personnel carrier. Here in Norway, he said, he is eating only once a day because the food is too rich after a diet of bread and water at home. He sat with Boras in the Olympic village on Sunday, watching the bloody stack of bodies on televi-sion, leaning forward in his chair, mouth agape, his thick hands clenched, wondering why someone will not stop the fighting. Disgusted, he blamed President Bill Clinton of the United States and President François Mitterrand of France and Prime Minister John Major of Britain for their inaction. He mentioned their names and the words came out as if he were

Major, they are drinking whiskey and eating steaks and playing golf. They don't care. They are dolls. There is some great eminence pulling their strings behind a curtain."

The nine Bosnian athletes will march in Saturday's opening ceremony at the Olympics, walking behind the Bosnian flag with its field of white and its crest bearing a silver slash and golden lilies. Zaciragic said he felt more numb

"It's a strange feeling, like I had an operation on my body and they used an anesthetic," he

Verona Marjanovic, a 20-year-old luger, the daughter of a Serbian father and Croatian mother, said she felt selfish and guilty. She has been out of Sarajevo exactly one year. On Friday, she spoke to her father and mother and

"I'm ashamed to be here," Marjanovic said, adding: "I left all these people and they are getting killed, and I'm here just to do sports. If you live in Sarajevo, you don't know what it is to be free. If you're not in Sarajevo, you don't have to worry about food, you don't have to worry about getting killed while you sleep, you don't have to worry about drinking a cup of coffee in a café."

What happens after the Games? Will Bosnia's athletes go bome? These are questions Boras asks himself over and over, and still he has no answers.

"The only wish of my mother is that I get out and stay out." he said, his voice halting, "She doesn't want me to come home. She wants me

Jordan Gets Wish: **A Baseball Contract**

CHICAGO - Michael Jordan, the retired star of the National Basketball Association, agreed Monday to a minor-league baseball contract with the major leagues' Chicago White Sox and will go to

Jordan, 31, fielded questions after fielding pop-ups and grounders in front of about 200 reporters, photographers and camera operators at a gym near Comiskey Park in his first work out in front of media. He also entered the batting cage to hit some soft pitches from a White Sox scout and then some harder throws from a college player. "I've never been afraid to fail," Jordan said. "That's something you have to deal with in reality. I think I'm strong enough as a person

to accept failing. But I can't accept not trying." Jordan agreed to a contract with the Nashville Sounds, the White Sox affiliate in the Class AAA American Association. Jordan said he is willing to go to the minors if the White Sox think he can make it to the majors. He said he will try to make the major league chib this

"He'll have to earn it, nothing's going to be given to him," said the White Sox general manager, Ron Schneler. "We're going to go north

Schneler said Jordan will need a lot of work in Sarasota, Florida, site of the club's camp, and added: "He's going to have some sore hands for a couple of weeks."

Jordan's efforts to play baseball with the White Sox became serious last month, even though he hasn't played baseball since high school. He has been taking batting practice from Schueler, a former

major league pitcher.

Both Schweler and the team's manager, Gene Lamont, have said that Jordan's hitting has progressed, but both have also said that it's a one-in-a-million chance for him to make a major league team, despite his athletic abilities.

Jordan has said that playing baseball was something his father, who was mardered last summer, always wanted him to do.



World sprint champion Dan Jansen of the United States just missed breaking the the 1,000-meter record Monday in a time trial.

U.S. Skater's Brother **Arraigned for Murder**

LORAIN, Ohio -- The brother of U.S. Olympic ice dancer Elizabeth Ponsalan pleaded not guilty Monday to a charge of aggravated murder in the stabbing death of his father. Ricardo Punsalan, 20, waived his

right to a preliminary hearing and Lo-rain Municipal Judge Gustalo Nunez turned the case over to the Lorain County grand jury. He ordered Punsa-

ing, court officials said.

He was arrested after his mother and a brother found Dr. Ernesto R. Punsalan, 57, stabbed in his bed. An autopsy showed Punsalan died of

blood loss, Loram County Coroner Paul Matus said. One wound, in the chest had pierced the heart, and one in had been receiving treatment for psythe upper abdomen had pierced the chological problems and drug addiction.

Stomach, Matus said.

David M. Tocchi, a neighbor and

skaters on Thursday. Punsalan, in a statement issued earli-

kilometers) west of Cleveland. "My father was proud of my skating used in combating depression and they ements and would have wanted mental illness.

SIDELINES

me to go on to Lillehammer," she said.
"I will try to skate my very best there in

his memory." Punsalan, 23, and Swallow, 27, won the ice-dancing competition Jan. 7 at the U.S. Figure Skating Championships in Detroit. They had married in September and live in Pontiac, Michigan.

Ricardo Punsalan had been released on a weekend pass from the psychiatric unit at St. Joseph Hospital and Health lan held without bond.

Punsalan was allowed to meet briefly said the Reverend John J. McCaffrey with family members before the hear-

The elder Punsalan, a general surgeon, was aware of his son's problems but didn't want to commit him to a long-term center, said a family friend, Dr. Paresh Patel, a colleague at EMH Regional Medical Center in Elyria. Elizabeth Pansaian said her brother

Unitials would not comment on a motive.

The U.S. Olympic Committee said Elizabeth Punsalan and her husband and partner, Jerod Swallow, were to anive in Norway with the other 115

"I know he was on Prozac at one time and that he just was switched over er, said she would compete at the Games in tribute to her father. He was stabbed Friday night in the family's what he is taking now or what he was home in Sheffield Lake, 20 miles (32 switched over from."

Prozac is an anti-depressant drug

Jansen Gives Warning: Just **Misses Mark**

HAMAR, Norway - World speed skating sprint champion Dan Jansen sent his rivals a warning Monday when he just missed breaking the world 1,000-meter record in a time trial.

The U.S. skater sizzled round the track in a personal best of 1 minute, 12.40 seconds, 0.14 seconds inside the world mark set by Canada's Kevin Scott last December. The trial was not timed electroni-

cally but by stopwatch, which Jansen's coach, Peter Mueller, said was usually 0.2 seconds too fast. The corrected time would be

about 1:12.60. "That's good enough. We'll take it," said a smiling Mueller. "It's the first time he's ever been below 1 minute 13 seconds,"

Jansen, who has raced in three Olympics but never won a medal, also finished first in a 500-meter trial, recording 35.90. He set the world record of 35.76 last month in

Calgary.

The trials were designed to give skaters the chance to get used to the super-fast rink at Hamar.
Russia's Sergei Klevchenia and
Alexander Golubev finished second and third behind Jansen, in

36.20 and 36.30, respectively. "That's not bad at all, it's totally satisfactory for a time trial," said the Russian coach, Boris Vasilovsky.

dropped him into a tie for seventh. Miller did not three-putt a hole all day, a fact that is remarkable. given his ongoing battles with the

His putting got so bad that it drove him from the PGA Tour af-

Publicists' Dream, **Moralists' Horror** vous, painfully inarticulate, she

New York Times Service

Kerrigan Attack:

Before Tonya Harding's life went from hard times to television's tabloid "Hard Copy," before Nancy Kerrigan became America's victim-ized sweetheart and her attackers became America's most wanted. these Winter Olympics figured to be a placid gathering in Lillehammer, Norway, of familiar participants and redundant accomplishment.

the last Winter Games, in Albertville, France. Many athletes have remained in training, not having to shelve their Olympic hopes for the customary four-year wait.

Bonnie Blair and Alberto Tomba are back hoping to win their fourth and fifth gold medals; Dan Jansen is back, too, still hoping to win his first. The idea behind this Olympic restructuring, the separating of the Winter Games from the shadow of

The stories of Blair, Jansen and Tomba as well as the return to Olympic figure skating of gold medalists Brian Boitano, Katerina Witt and Torvill and Dean have clubbing attack on Kerrigan.

It is a story unlike any other that has contravened the tattered Olympic spirit of fair play and sportsmanship, the specter of one athlete's associates attempting to incapacitate another athlete for competitive and financial gain. Even as Juan Antonio Samar-

anch, president of the International Olympic Committee, continues to call for a truce from the fighting in Bosnia during the Games, he cannot guarantee peace in the genteel world of figure skating.
"It takes us down to the wres-

tling league," said Claire Ferguson. it requires three president of the U.S. Figure Skating Association. "That's too bad." [Harding's lawyers issued a statement Monday, The Associated Press reported. It said:

[Tonya Harding is concentrating on her preparation for the Olympics and working with her attorneys on a response to the request of the USFSA. We stress that in its statement the USFSA does not conclude that Ms. Harding has in any way been involved in any wrongdoing or in any way violated its code of eth-ics. Ms. Harding will respond to this request in compliance with the bylaws and rules of the USFSA.]

But in an odd, even perverse way, this is the best thing that ever happened to figure skating. The sport has gone from the sports page to the front page.

The women's competition in Norway, CBS officials say, may provide the highest rating ever for an Olympic program. Some television executives are even talking Super Bowl ratings numbers.

"I don't think anything could have done more for figure skating than this," said Tom Collins, a skating tour promoter from Minneapolis. "It's too bad it had to hap-

pen this way. But it has."

Michael Rosenberg, an agent
from Palm Springs, California, who once represented Harding said: "This has got all the elements of soap opera. Shakespeare and fairy tales. You've got a villain, you've got a heroine who looks like Snow White, and you've got this incredible drama. The kingdom is at stake." Kerrigan has become the most visible, sympathetic female athlete in the world. Two years ago, ner-

struggled to answer simple questions put to her at news conferences. Eleven months ago, at the world championships in Prague, she skated a disastrous long program, fin-ished fifth and was caught by the television cameras saying "I just want to die" as she awaited her scores in the kiss-and-cry area.

She had a fragile confidence and Only two years have passed since had never skated a clean program in practice, much less in competition. winning a brouze medal at the 1992 Winter Games only because Har-ding, who finished fourth, feil in both her short and long programs.

But this attack has drawn Kerrigan out of a skater's sheltered life. has imbued her with a certain awareness and eloquence and, according to her coaches, intractable

"She might have fragile emotions the Summer Games, was partly to on the ice, but she doesn't have give the smaller, quaint Winter Olympics their own identity. Now they have one. The wrong one. Evy. "She's a very tough little girl. She's a fighter."

Can she win a gold medal? Yes. but the competition is wide open.

Even healthy, Kerrigan will not have skated before judges in nearly three months. She will not have competed against any of her Olym-pic opponents in four months. Surya Bonaly of France, the European champion, is a more skilled jumper. world champion Oksana Baiul, the 16-year-old orohan from Ukraine, is a more elegant skater.

Chen Lu of China is another formidable rival and potential medalist. Harding and Japan's Midori Ito, who has since turned professional after winning the silver medal in the 1992 Olympics, are the only two women to have landed a triple axel. the most difficult of jumps because it requires three and a half revolu-

"I have to skate the performance of my life," Kerrigan has said.
If she does, and wins a gold medal. her comeback would earn Olympic mortality, as well as \$10 to \$15 million in endorsements, appearances, tours, clinics, skating camps, even movies.

By mid-January, some 35 movieof the week offers had come through the transom, producers eager to tell the story of her blue-collar upbringing, the daughter of a welder and a blind mother from Stoneham, Massachuseus, who overcame all the odds to become Rocky on skates.

"If she wins, she will be the biggest thing in the history of figure skating," said Collins, the promoter. "She'll do better than Dorothy Hamill and Peggy Fleming com-

Whatever happens at the Olym-pics, figure skating will never be looked upon the same. Its delicate porcelain world has shattered. A glamour sport has been exposed for its pettiness and vicious one-up-

In the coming weeks, the Oiym-pic ice hall will be full and the rest of the world will be watching the figure skaters, if for all the unintended reasons.

"This robs the Games of such an important ideal, fair play," said John Ruger, who represents athletes as a member of the U.S. Olympic Committee, "It happened with Ben Johnson. He was one person who screwed up, but he robbed the Games themselves of something. That's what hurts so much. - JERE LONGMAN

Lewis to Fight Jackson, Duva Says NEW YORK (AP) — A arbitrator has ruled that Lennox Lewis can defend the WBC heavyweight title against No. 4 contender Phil Jackson, sometime in May, instead of against No. 1 Oliver McCall, promoter Dan

Dava said Monday.

"After a Lewis-Evander Holyfield match fell out because the IBF and WBA ruled Holyfield must defend their titles against Michael Moorer" on April 22, we wanted Lewis to fight Jackson, but the WBC refused to sanction it," Duva said.

Merrett Steinheim; appointed by the American Arbitration Association, has ruled in Miami that Lewis could fight Jackson first and that the natch must be sanctioned by the WBC, Duva said.

NHL's Lemieux Ponders Retirement PITTSBURGH (AP) — A discouraged Mario Lemieux says he may retire if his chronic back problems prevent him from returning to the

Lemieux, expected to rejoin the Pittsburgh Penguins for Friday's game in Detroit, pulled out after another painful setback during a morning practice. He hasn't been on skates since. "I don't know when I'm going to be back," Lemieux said Sunday. "If I don't play again this year, I'm going to have to make a decision" on retirement "this summer."

For the Record

That Farmers Bank beat Omani Club of Oman, 2-1, for the Asian Club soccer championship in Bangkok, with J-League champion Yomiuri Verdy getting third place by beating China's Liaoming, 4-1. (AP) Verdy getting third place by beating China's Liaoming, 4-1. (AP) The Briffish Open golf tournament will pay a record £10,000 (\$162,800) for first place this year, a 10 percent increase, officials appointed innounced.

Andre Agassi, sidelined since the U.S. Open with tendinitis in his right

Mist' 2814 he blans to combeniou in two meeks at a tenus tournament in Arizona.

Tubby Raymond, Delaware's football coach, on why his team doesn't have a booster club: "I don't want to organize my own lynching mob."

Miller Comes From Far Back, 1987, to Win at Pebble Beach

PEBBLE BEACH, California -

There is always something of a vaguely mystic quality to the golf and the surroundings here. But old Pebble Beach has never been as mysterious and dreamlike as Sunday when, out of the mists of time, a retired golfer stepped up and won the AT&T Pebble Beach National Pro-Am.
Johnny Miller, 46, playing in just his fifth tournament since 1990, re-

nerves and he beat Tom Watson

Pebble Beach seven years ago.
"That didn't really happen," said Miller, whose final-round 74 gave lead. He finished with a 74 when him a total of 7-under-par 281, one stroke better than Watson and three other players — Jeff Maggert, Corey Pavin and Kirk Triplett who never really threatened. It was a mirage. It was weird, like the had this strange sense of calm."

Flags flew as a skier trained on the cross-country course, but the crowds were yet to come.

whole thing wasn't happening. I He was the only one who did. appeared like some specter from For the other players on the rainy, another era. He then beat his windy and cold day, nerves were as jagged as the Monterey Peninsula's down the stretch for his first tour- rocky coastline.

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Watson collapsed down the stretch, three-putting both the 16th and 17th holes to fall out of the them all and finished with a 78 that his birdie attempt the 18th hole stopped short, dead on line. Dudley Hart, the third-round leader who began the day at 10

under par, ran afoul of that most scenic and most deadly portion of Pebble Beach — the eighth, ninth

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Checkbook Journalism

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Lawrence Loving, a producer of the hard news show "Peeping

Tom," told me, "Practicing checkbook journalism isn't as easy sounds. Every show has a checkbook, and if you want to beat the compe-tition you have to get there



Buchwald

"I assume that when you refer to checkbook journalism vou are talking about offering vast sums of money to people involved in a

"That's correct. When it comes to yellow journalism everyone has his or her price, and the checkbook journalist has to figure out what it's worth to the public. For example, a teenage girl kidnaps the wife of her 30-year-old lover and shaves the woman's head. The girl is arrested. I want my news crew to be down there within the hour offering the teenager a king's ransom for her version of what happened."

"Suppose a husband shoots his wife's lover. Is that worth any-

Barnes Collection To Extend World Tour

The Associated Press

NORRISTOWN, Pennsylvania - A judge has ruled that the Barnes Foundation can extend its world tour of 80 Impressionist masterpieces to two more museums.

The exhibition has traveled to Washington, Paris and Tokyo, where it is at the National Museum of Western Art until April 3. Judge Louis D. Stefan of Montgomery County approved the addition of the Kimbell Art Museum in Fort Worth, Texas, and the Art Gallery of Ontario in Toronto.

WASHINGTON — It used to "Not any more. The public couldn't care less. But a female "Not any more. The public nications business, but "checkbook" teenager with a heart of stone is journalism" is now playing a major worth a fortune because the media role in bringing people the news. are not only talking print rights, Without it one cannot operate book rights and TV rights but also how much money the sweatshirts will bring in. The kids who work for me go out there with a blank check. and I won't allow them to come hack empty-handed"

> "Is checkbook journalism an invention of the tabloids?" "It was at one time, but now the TV shows are competing for the

same stories. Show me a woman who operated on her husband with a carving knife, and I'll show you a lady who can get a 70-percent share of the audience."

"How do your reporters practice checkbook journalism?" "Let's say a person high up in vernment circles is caught sneaking out of his house at 4 in the

morning to rendezvous with a nude dancer from the Bijou Theatre, and his valet offers to talk. First, we would pay the valet for his tip, then we would open a Swiss bank account for the stripper. We would also make sure that nobody else got to them by putting them up in a safe house in Disney World."

He continued, "Unfortunately, the days of cheap news are over, and now all the players have agents. Consequently, we have to put up a lot more money than we used to. The witnesses in the Michael Jackson scandal are now charging more to tell their story to the media than he was paid to give a concert. Freedom of the press is much more costly than the public

realizes."
"So," I said, "you are looking for people trained in checkbook journalism. Where do you find them?" "We have to train them our

selves. The journalism schools are pretending that it doesn't exist, so they refuse to teach their students that when it comes to getting a scoop, money talks," 'Let's say that you come across

two hot stories at the same time a person who has seen Senator Packwood's diary and one who was in the same needlepoint class as Mrs. Bobbitt. Which one would

"We'd just cut up the money hetween them.'

Black Americans Visit an Indifferent Paris

By Roger Cohen
New York Times Service

PARIS — Attending a conference here
on the relationship between black
American artists and Europe, Professor Henry Louis Gates Jr., the chairman of the department of Afro-American studies at Harvard University, was surprised to find himself mistaken for a taxi driver.

There I was standing in the lobby of my chic Latin Quarter hotel, in my handmade suit, Burberry coat and Paul Stuart scarf, when this French couple comes up to me and asks whether I'm their cabdriver," Gates said. "I was polite, I just said no. At the time I was angry, but thinking about it later, I was furious. Those guys

just weren't seeing me."

Time was, black American writers and painters came to Paris precisely to be seen and recognized, to become visible after the "invisibility" of life in the United States. as captured by Ralph Ellison. Here the air was less oppressive, and artists including James Baldwin, Richard Wright, Beauford Delaney, Ed Clark and Herbert Gentry

came to savor it. "Paris is where I find myself," Delaney, who painted luminous portraits of the French writer Jean Genet, said in the

But today, with a wave of more or less avowed racism sweeping Western Europe as it grapples with a long recession and a wave of immigrants from Eastern Europe and North Africa, the situation is rather

The French government has recently introduced legislation making it more difficult for immigrants to gain French nationality. Interior Minister Charles Pasqua has said he intends to fill buses, planes and boats with deported immigrants in a drive to turn France into what he has called a "zero immigration" country.

For the many black American artists attending the three-day conference held in the French Senate last week, Paris was clearly a place for a stimulating sojourn rather than any spiritual haven. "A real nice village," as one participant from New York put it.

But the conference, called "A Visual Arts Encounter: African-Americans and Europe," took place amid virtually complete indifference from the French press and Paris galleries, despite the presence of such distinguished artists as Raymond Saunders, Sam Gilliam, Faith Ringgold, Dewey Crumpler, Betye Saar and Martin

Where men like Baldwin were cult figures in Paris, and later the Black Power movement fascinated French intellectuals. turning the city into what the French writer and teacher Michel Fabre once called "a



The artists Faith Ringgold (left), Raymond Saunders and Betye Saar and a detail from one of Ringgold's works.

passage leading to the continent of negritude," the French capital now seemed merely uninterested. "Almost nobody came from the Paris galleries, despite my invitations," said Maica Sanconie, a French woman who was one of the organizers and is a director of the contemporary trans-Atlantic arts program of the California College of Arts and Crafts in

"If the artists had been white Americans, they would have come. But somehow the gallery owners here imagine these people are second category. Even the curator of the Musec Scita, which is currently exhibiting Jean-Michel Basquiat. failed to

Basquiat, whose powerful, disjointed canvases have been seen here as carrying an essential symbolism of the black condition in the United States, is one of the very few black American artists to have gained a strong following here in recent years, being hailed by one critic. Nicholas Bour-riaud, as a "black Picasso."

Basquiat's early death — in 1988, at the age of 27 — has added to his mystique. Puryear's sculptures have also gained a

considerable following. But if the conference remained fairly

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anonymous, this very anonymity evidently amounted to something of a liberation for some of the artists present. Several ex-pressed frustration with what they called the increasing difficulty of open debate in an American society so taken up with according the proper respect to the rights and culture of each ethnic group that open exchange sometimes collapses under the deadening weight of political correctness.

"I don't do black art," said Saunders, who spends part of his time in Paris and has had successful shows at the small Galerie Resche in the Latin Quarter. "I'm just a black person who happens to be a painter. Separation won't work; us against them won't work. What worries me is that nobody is being protective of the human quality of what we're all about." Saunders, a professor at the College of

Arts and Crafts, added: "Paris seemed like a good place to get these views aired."

Crumpler echoed such thoughts, urging the conference to "unload some of these African-American questions, and spend less time worrying about all this baggage we bring over here, and more time thinking about our art." But politics tended to dominate the discussions, leading Saar to lament that "the art aesthetic has not been brought out here much."

Gates was delighted by what he called the freedom of the exchange. A moderator on one of panels, he suggested that some of the views expressed — such as Saunders's statement that he does not "do black art" - would have "caused fury in

some academic circles in the United

Ringgold, whose colorful quilts have gained a wide following in the United States, expressed a rather different view from Saunders. "I don't believe that to say you do black art means you're segregated," she said. "There is no art that comes out of nothing. Images have a color, and the most significant image is one's own. Mine is black. That's good and I love it."

Having first visited in Paris in 1961, when she found herself more welcomed as a black woman than in many parts of the United States, Ringgold was struck by the changes that irked Gates. "In 1961, I could just walk into any hotel here and that was groovy because that wasn't the case in America," she said. "I felt freer. But today don't think African-Americans come to Europe to gain recognition. It's easier to establish yourself in America. If anything, you just come here to broaden your

PEOPLE

Whoopi's Early Oscar: She'll Host the Show

The Oscars have a host: Whoopi Goldberg will do the honors when the Academy Awards are presented on March 21. An Oscar winner herself (for "Ghost"), she's the first woman and first black to serve as host of the show. Goldberg replaces Billy Crystal, who has hosted the show for the past four years.

The feminist writer Germaine Greer, who unwittingly opened her home to a male journalist claiming to be destitute, said she would sue for invasion of privacy. Swarms of reporters besieged Greer's home near Cambridge, England, after she offered bed and board to the home less. But Martin Hennessey, a Mail on Sunday reporter, managed to convince Greer he was destitute. In the Guardian, Greer said she was suspicious, but took him in believing he was mad, brain-damaged or on anti-depressant drugs.

A STATE OF THE STA Demi Moore and Bruce Willis have a Chird daughter: Tallulah Belle. The couple's other children are Russer, 5, and Scout, 2.

The London stage production of "Sinset Boulevard" is getting a new leading lady: Betty Buckley. She takes over for Patti LuPone, who drew mixed reviews in Andrew Lloyd Weber's musical. The show will shut down in March and reopen on April 7. . . A High Court judge has granted an injunction pre-venting "Maxwell: The Musical." about the late media tycoon Robert Maxwell from opening in London this week. ...

Of all the fund-raising campaigns to promote safe sex, Playboy bas come up with a unique one, featur-ing a pictorial in which a score of celebrities take off their clothes to help fight AIDS. The feature in the March issue includes crotic photos of the actresses Sonia Braga, Mariel Hemingway, Sandra Bernhard and Shannen Doberty. They are quoted discussing the virtues of safe sex and condoms. All of the celebrates donated their time, and proceeds go to benefit AIDS research.

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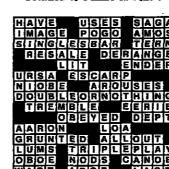
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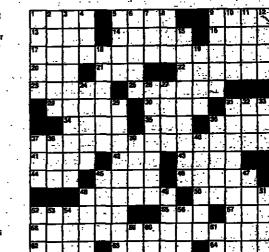
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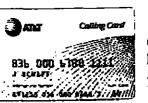
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